

**USAID/Ecuador**  
**RESULTS REVIEW**  
**&**  
**RESOURCE**  
**REQUEST**  
FY 1996 - FY 1998

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### List of Acronyms

AED/RTI	Academy for Educational Development/Research Triangle Institute
AME	Association of Ecuadorian Municipalities (Asociación de Municipalidades Ecuatorianas)
AOJ	Administration of Justice
APROFE	Association for the Well-being of the Ecuadorian Family (Asociación Pro-bienestar de la Familia Ecuatoriana)
BEDE	State Bank (Banco del Estado)
CAF	Andean Corporation for Economic Development (Corporación Andina de Fomento)
CAAM	Environmental Advisory Commission (Comision Asesora Ambiental)
CARE/APOLO	Cooperative Assistance Relief Everywhere - Support to Local Organizations (Apoyo a Organizaciones Locales)
CCD	Data Center for Conservation (Centro de Datos para la Conservacion)
CDC	Center for Disease Control and Prevention
CDF	Charles Darwin Foundation
CECIA	Council for the Conservation and Research of Birds (Consejo para la Conservación e Investigación de las Aves)
CEDENMA	Ecuadorian Committee for the Protection of Natural Resources and the Environment (Comité Ecuatoriano para la Defensa de la Naturaleza y el Medio Ambiente)
CEDPA	Center for Development and Population Activities
CEMOPLAF	Medical Center for Family Planning and Counseling (Centro Médico de Orientación y Planificación Familiar)
CEPAR	Center for Population and Responsible Parenthood Studies (Centro de Estudios de Población y Paternidad Responsable)
CEPAM	Ecuadorian Center for Woman's Promotion and Activities (Centro Ecuatoriano para la Promocion y Accion de la Mujer)
CFN	National Finance Corporation (Corporación Financiera Nacional)
CHF	Cooperative Housing Foundation
CIESPAL	International Center for Communications Studies for Latin America
CIDES	Center on Human Rights and Society (Centro Sobre Derecho y Sociedad)
CLD	Latin American Corporation for Development (Corporación Latinoamericana para el Desarrollo)
CONADE	National Council for Development (Consejo Nacional de Desarrollo)
CONAM	National Council for Modernization (Consejo Nacional de Modernización)
CRS	Catholic Relief Services
CRSP	Collaborative Research Support Project
CSO	Civil Society Organization
CTH	Mortgage Titling Company (Compañía de Titularizacion Hipotecaria)
CYP	Couple Years of Protection
DHS	Demographic and Health Survey
E2P3	Ecuadorian Environmental and Pollution Prevention Program
EA	Environmental Assessment
EDUCAR	Environmental Education and Technology Transfer Project
EIA	Environmental Initiatives of the Americas
FA	Alternativa Foundation for Development (Fundacion Alternativa para el Desarrollo)
EMAP	Municipal Water Company (Empresa Municipal de Agua Potable)
ENDEMAIN	Demographic and Maternal/Child Health Survey (Encuesta Demográfica y de Salud Materna e Infantil)
EP3	Environmental and Pollution Prevention Program
FE	Ecuador Foundation (Fundación Ecuador)
FER	Rumicocha Ecological Foundation (Fundacion Ecologica Rumicocha)

FP/Health	Family Planning and Health
FSN-PSC	Foreign Service National-Personal Service Contractor
FUNAN	Antisana Foundation (Fundacion Antisana)
FUNO	Financiera Uno
G/DG	Global Bureau - Democracy and Governance
G/EG	Global Bureau - Economic Growth
G/ENV	Global Bureau - Environment
G/HCD	Global Bureau - Human Capacity Development
G/PHN	Global Bureau - Population, Health and Nutrition
G/WID	Global Bureau - Women in Development
GDP	Gross Domestic Product
GEF	Global Environmental Fund
GIS	Global Information System
GNP	Galapagos National Park
GMR	Galapagos Marine Reserve
GOE	Government of Ecuador
GPS	Global Positioning System
IBRD	International Bank for Reconstruction and Development
IDB	Interamerican Development Bank
IEC	Information and Education Campaign
IEE	Initial Environmental Examination
IESS	Ecuadorian Institute for Social Security (Instituto Ecuatoriano de Seguridad Social)
IMCI	Integrated Management of Childhood Illness
IMF	International Monetary Fund
IMR	Infant Mortality Rate
INCAE	Central American Institute for Business Administration (Instituto Centroamericano de Administración de Empresas)
INDA	Livestock Development Institute (Instituto de Desarrollo Agropecuario)
INEFAN	Ecuadorian Institute for Forestry, Natural Resources and Wildlife (Instituto Ecuatoriano Forestal y de Areas Naturales y Vida Silvestre)
INGALA	Galapagos National Institute (Instituto Nacional Galapagos)
INOPAL	Operations Research for Latin America (Investigación Operacional para América Latina)
IPR	Intellectual Property Rights
IR	Intermediate Result
JHP/IEGO	John Hopkins Program/International Education in Reproductive Health
JHU/PCS	John Hopkins University
JSCU	Justice Sector Working Group
LAC	Latin America and Caribbean Bureau
LSMS	Living Standards Measurement Survey
MCH	Maternal Child Health
ME	Microenterprise
MIDUVI	Ministry of Housing and Urban Development (Ministerio de Desarrollo Urbano y Vivienda)
MICIP	Ministry of Commerce, Integration and Fisheries (Ministerio de Comercio, Integración y Pesca)
MOE	Ministry of Education
MOE	Ministry of Environment
MOF	Ministry of Finance
MOH	Ministry of Health
MOSW	Ministry of Social Welfare
NEF	National Environmental Fund
NFP	Natural Family Planning
NGO	Non-Governmental Organization

NHC	National Health Council
OCG	Office of the Controller General
OE	Operating Expenses
OMNI	Opportunities for Micronutrient Intervention
PAHO	Panamerican Health Organization
PC	Peace Corps
PHC	Primary Health Care
PCV	Peace Corp Volunteer
PIP	Parks in Peril
PVO	Private Voluntary Organization
QA	Quality Assurance
QI	Quality Improvement
REA	Antisana Ecological Reserve
RECA Y	Cayambe-Coca Ecological Reserve
RECC	Cotacachi-Cayapas Ecological Reserve
RUDO/Quito	Regional Housing and Urban Development Office/Quito
ROL	Rule of Law
RP	Results Package
RPM	Rational Pharmaceutical Management
SDAA	Special Development Assistance Authority
SDP	Service Delivery Point
SLO	Secondary Level Organization
SO	Strategic Objective
SOMARC	Contraceptive Social Marketing
SOTL	Strategic Objective Team Leader
SpO	Special Objective
SSA	Subsecretary of Environmental Sanitation (Subsecretaria de Saneamiento Ambiental)
SUBIR	Sustainable Uses for Biological Resources
TAACS	Technical Advisors in AIDS and Child Survival
TFR	Total Fertility Rate
TI	Transparency International
TNC	The Nature Conservancy
UNFPA	United Nations Population Fund
USAID	United States Agency for International Development
USDH	US Direct Hire
USG	US Government
USPSC	US Personal Services Contractor
WB	World Bank
WCS	World Conservation Society
WTO	World Trade Organization

## **PART I: FACTORS AFFECTING PROGRAM PERFORMANCE**

### **A. Progress in Overall Program**

#### **1. Changes in Overall Development Context**

The most significant change that has occurred in Ecuador since the last R-4 submission is the organized reaction of Ecuadorian civil society at large against the open and unprecedented levels of corruption in the Bucaram Administration which took office in August 1996. Such reaction led to massive, country-wide citizen demonstrations in early February 1997, which resulted in a formal request from civil society to Congress to terminate the Bucaram mandate. The Ecuadorian Congress rapidly acted on the citizenship's request, declared Bucaram "mentally incompetent" to continue performing as President, and appointed Fabián Alarcón, President of the Congress, to be Ecuador's Interim President through August 1998. At the same time, Congress gave a mandate to Alarcón to call for general elections in May 1998 to elect a new constitutional GOE.

As stated in the Strategic Plan, it is too early to determine how the political changes that took place in February 1997, will impact the USAID/Ecuador development assistance strategy and program in Ecuador. The Interim President has announced some reform efforts to consolidate the democratic process, depoliticize the justice sector, introduce accountability principles in the election of members of Congress, fight against corruption, privatize the telephone company, renegotiate the external debt and reach a stand-by agreement with the IMF, and introduce stabilization measures to reduce the fiscal deficit to 2.5 percent of GDP. President Alarcón has in fact called for a national plebiscite, to take place May 25, 1997, in which the questions that will be presented to the Ecuadorian citizens are centered around some of the above mentioned political and constitutional reforms.

Accordingly, the country and the donor community will have to wait until August 1998, when a new GOE will assume Office, for a regular, four-year Presidential term, in order to assess new development trends and priorities in Ecuador, and how those trend and priorities will affect the development assistance agendas of the different donor agencies.

#### **2. Continuing Foreign Policy Interests**

The US national interests in Ecuador are centered around the following themes: a mutual interest of both countries to preserve political stability and peace in the region, in view of the armed confrontation between Ecuador and Peru in 1995, and the peace negotiations that have been recently initiated between the two countries in Brazil; the strengthening of democratic institutions and the streamlining of procedures for the administration of justice; the enhancement of broad-based economic growth opportunities that bolster Ecuador's trade relations with the United States; and the strengthening of environmental institutions to improve the management of natural resources and the protection and conservation of biodiversity, such as that found in tropical forest national parks and in the Galapagos Islands.

With regard to Ecuador's commitments vis-a-vis the Summit of the Americas Principles and Action Plan, very little progress was achieved during the six months of the Bucaram Administration. Ecuador's former President and his cabinet were unable to articulate any coherent plan or program in this area.

However, USAID/Ecuador has and will continue to work with partner NGOs to implement relevant elements of the Summit of the Americas Action Plan in the following areas: the right of all citizens to participate in government, particularly of those groups that have been traditionally marginalized, including women; justice which is accessible to all sectors of society; more accountable government; maternal and child health, including preventive health care and family planning which is accessible to the country's extremely poor population; further development of the "partnership for biodiversity"; increased access to financial services for microentrepreneurs with emphasis on women; and combating corruption.

**B. Major Accomplishments in FY 1996**

- In microenterprise, NGO partner Banco Solidario, the first privately owned bank created to serve the microenterprise sector, was established and three new activities in village banking were initiated.
- In housing, the Compania de Titularizacion Hipotecaria (CTH), a mortgage titling company equivalent to the US's Fanny Mae, was created.
- In health, NGO partners CARE and CEPAR demonstrated significant successes in achieving health reform actions at the local and provincial level, providing sustainable models, as well as policy analyses and studies relevant for national level change.
- In family planning, NGO partners APROFE and CEMOPLAF reached ever higher levels of cost recovery (now 70 percent), while still keeping their focus on providing access to the less affluent and underserved populations of women.
- In legal reform, important new legislation was passed and new legislation introduced, including the Human Rights Ombudsman and the Constitutional Court.
- In justice, new partner NGOs initiated programs to increase access to justice by women under the Law Against Violence Towards Women; and by minority groups through Alternative Dispute Resolution.
- In biodiversity conservation, the national legal framework has been developed and demarcation of community lands has been completed, resulting in the granting of legal title to one small community in the buffer zone of the RECC. This is serving as the precedent for other communities, and eight are now following the same process.
- In pollution prevention, NGO partner Oikos Corporation has worked with thirteen additional industries to develop models for cleaner industrial operations.

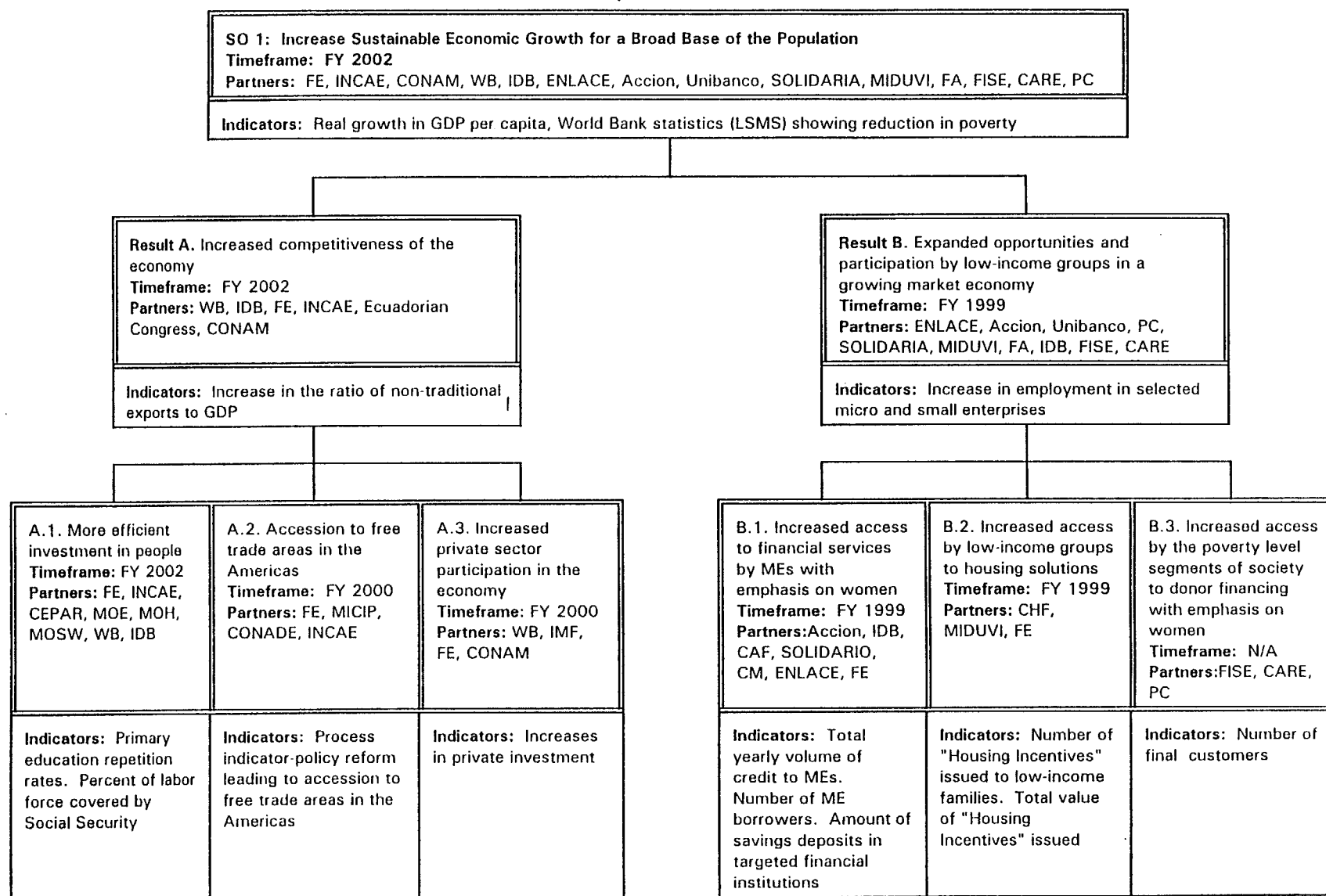
**PART II: PROGRESS TOWARDS OBJECTIVES**

This part is organized by Strategic Objective: SO 1 Economic Growth, SO 2 Family Planning and Health, SO 3 Strengthening Democracy, and SO 4 Environmental Management. Each section provides the following information:

- (1) a performance analysis based on the management contract derived from the FY 1997-98 R4;
- (2) a brief description of the transition into the new Strategic Plan period of FY 1998 - FY 2002;
- (3) expected progress through FY 1999 based on the new Strategic Plan; and
- (4) the Performance Data Tables based on last year's R4. The Performance Data Tables for the coming years (FY 1997 -2003) can be found in the Strategic Plan document.

A final section in this part outlines achievements under the Global Objective of Disaster Preparedness.

## Strategic Objective 1 - Sustainable Economic Growth Results Framework\*



\*As SO 1 will be phased out in FY 1998, this framework has been left unchanged. Thus, many of the partners listed were either planned or are no longer partners for on-going activities and timeframes for achieving intermediate results are no longer valid (see USAID/Ecuador FY 1998-2002 Strategic Plan for current information). Further, indicator for IR A.3. should read "increased private investment." Finally, IR B.3. has been shortened to "number of final customers."



## **1. SO 1 Performance Analysis**

**Summary** - USAID/Ecuador has achieved considerable progress under all four intermediate results (results packages) of SO 1. Indicators shown in the attached SO 1 Performance tables, however, do not reflect this progress. In the case of Results Package (RP) 1, significant strides have been made in drafting legislation in such key areas as intellectual property rights and microenterprise development. Progress has also been made in activities related to social security reform, privatization, free trade and private investment, in spite of the fact that USAID/Ecuador support for these activities ended in 1996. Unfortunately, recent budgetary decisions to eliminate this SO will prevent USAID/Ecuador from capitalizing on the current favorable political environment that would otherwise facilitate further progress in these important areas. Under RP 2, Banco Solidario, the first privately owned bank in Ecuador created to serve the microenterprise sector, was established with USAID/Ecuador support and three new activities in village banking were initiated. USAID/Ecuador's microenterprise indicators, however, were based largely on numbers derived from planned partners, namely Fundacion Ecuatoriana de Desarrollo (FED) and Financiera Uno, that did not materialize for various reasons. Thus, while significant development has been made in this key sector, employment numbers, numbers of borrowers, credit volume, and financial services indicators have not been met and will have to be adjusted downward. Under RP 3, significant progress was made in creating the Compania de Titularizacion Hipotecaria (CTH), a mortgage titling company equivalent to the US's Fanny Mae. However, due to the lack of a coherent housing policy under the deposed Bucaram administration, the program suffered setbacks in terms of the numbers and value of housing incentives achieved. Under RP 4, indicators have been met or exceeded. A total of forty-two activities, sixteen in coordination with the US Peace Corps, were implemented nationally, directly benefitting Ecuador's most disadvantaged groups.

### **STRATEGIC OBJECTIVE 1: Increase Sustainable Economic Growth for a Broad Base of the Population**

In spite of a number of significant IR accomplishments, including equity investments in financial institutions and policy dialogue related to education and social security reform, serious external and political shocks affected SO 1 performance. The decrease in real GDP per-capita growth during 1996, following a flat growth rate in 1995, was primarily the result of the fiscal deficit of 2.5 percent of GDP, heavy electrical rationing which affected private sector production during the first quarter, uncertainty of the election year, the election of a populist government, and rampant corruption. According to the Living Standards Measurement Survey funded by the World Bank, the poor performance in GDP growth of 1995, did not result in a worsening of poverty. The social safety net Fondo de Inversiones Social de Emergencia (FISE), created by the Duran-Ballen Administration with USAID/Ecuador assistance, had its most successful year in 1995 with over 10,000 small infrastructure projects completed. Employment opportunities were created at the community level and potable water and sewage services were provided for the poor.

### **INTERMEDIATE RESULT A: Increased competitiveness of the economy**

- **Free Trade** - The principal remaining activity in this area is on-going support for the establishment of an adequate (Intellectual Property Rights) IPR regime. Following a first phase of technical assistance by Coopers and Lybrand aimed at developing local demand for increased protection, a second phase is underway to expand and broaden the knowledge of individuals and groups affected by the lack of adequate IPR protection. These individuals and groups collectively will become an important advocate for improved IPR protection through ratification of bilateral agreements and passage of comprehensive legislation. USAID/Ecuador is coordinating these efforts closely with the US Embassy to ensure their compliance with WTO rules and regulations. Additionally, INCAE conducted various seminars and training activities in-country and abroad, including a national conference on social policy, which heightened awareness among the public and private sectors on the need for continued macroeconomic and social policy reform. Ecuador's economic growth strategy continues to be outward-oriented, with some eight hundred non-traditional products being exported annually. The country's international reserves continue to rise, but inflation -- which had decreased to

the annual rate of 25 percent during the Duran-Ballen Administration -- has increased to 31 percent during the last quarter.

- **Investment in people** - Support for demand-driven education reform has remained strong. A collaborative effort between USAID/Ecuador partners, Fundación Ecuador and AED/RTI, produced two studies related to school autonomy. These will serve as the basis for a follow-on policy dialogue activity with the Academy for Educational Development/Research Triangle Institute for school autonomy, cost recovery, and similar education reform activities. Additionally, a Fundación Ecuador-led congressional meeting in Columbia contributed significantly to discussion and debate regarding the establishment of the Ombudsman's office. It also produced in April 1996 a twelve-volume set of documents titled: "Agenda for Development: Ecuador 21st Century." This agenda recommends specific reforms in the areas of housing, social security, health and education, and public finance, among others, and have been disseminated widely among all political parties.

***Education: Expenditure or Investment?***

*Fundacion Ecuador, with support from INCAE, has been successful in raising levels of consciousness for education reform in Ecuador through the publication and dissemination of three key studies: The Education Crisis in Ecuador; Fe y Alegria; and a study of the Teacher's Union. Seminars organized by INCAE on social policy and teacher training -- focussed around major issues related to education reform -- have increased awareness and have spurred important dialogue in among key individuals and groups. As a result public administrators have abandoned the notion of education "expenditures," opting to refer to these more appropriately as "social investment." Issues related to accountability, decentralization and the importance of community participation top the agenda of on-going dialog.*

- **Private sector participation** - Past privatization efforts supported by USAID/Ecuador have regained momentum under the current Alarcon Administration. CONAM, the national modernization council, has promised to complete the privatization of the 100 percent state-owned telephone company, EMETEL, by September 1997. Additionally, CONAM has opened the door for increased private investment through privatization or concessions in a number of sectors, including customs, electric power generation, airports, railroads, and water and sewage. The so-called "social pact" promoted by the Alarcon Administration currently is negotiating with workers and business "next steps" needed to reform the country's outdated social security system, as well as other labor reforms that will simplify overly complicated labor laws.

**INTERMEDIATE RESULT B: Expanded opportunities and participation by low-income groups in a growing market economy**

- **Microenterprise Assistance** - Under RP 2, external technical assistance was delivered to strengthen the institutional capability of selected financial institutions. Most notably, this assistance proved vital to the establishment of Banco Solidario, a fully private bank established for the purpose of serving Ecuador's microenterprise sector. A joint USAID/Ecuador-Prime Fund equity investment of \$1.2 million was made in Banco Solidario (with other similar investment planned in selected financial institutions) to expand and facilitate access to financial services by microentrepreneurs. USAID/Ecuador estimates that it will reach 50,000 microentrepreneurs annually by the year 2000. Planned investments in the FED and the would be "Corpomicro Financiera" did not materialize as the FED preferred to maintain its NGO status and the merger of Corpomicro and Financiera Uno did not meet the approval of the Superintendency of Banks.
- **Microenterprise Advocacy** - Fundación Ecuador successfully blocked passage of microenterprise legislation proposed by Bucaram administration cronies that would have had serious detrimental effects on the development of this vital sector. In pursuit of adequate support to the sector, Fundación Ecuador, with USAID/Ecuador financed technical assistance, is currently devoting its efforts toward establishing a referential framework that will guide future private and public support for microenterprise development.

- **Village Banking** - Working through three US PVOs, Catholic Relief Services, Project Hope, and FINCA, new starts were initiated in village banking, a methodology suited to reach poor rural women and promote their empowerment through income-producing ventures. Over ten village banks have been established since October of last year, directly benefitting approximately 300 poor businesswomen. An estimated 100 banks will be established over the fifteen month life of these grants, directly benefitting approximately 2,500 women.

#### **VILLAGE BANKING AND MICROENTERPRISE LENDING: QUALITY OF LIFE BENEFITS**

*An incisive example of the quality of life benefits of village banking was expressed in the words of one poor businesswoman who declared: "I am grateful for the financial benefits I am receiving from this bank; but in addition to the loan itself, because I now contribute directly to our household expenses, my husband no longer beats me."*

*More generally, the impact of village banks and microenterprise lending among women is very positive. In recent focus group activities, all members without exception reported improved self-confidence. Married women related greater "say" in household decisions. These women also noted increased respect from their family members and expressed their immense satisfaction and gratitude for the companionship, friendship and personal growth that their fellow members bring to them.*

*The financial impact of micro-credit programs can mean the difference between success and failure, an example being one of Banco Solidario's first clients. A 40-year-old married woman, with only a ninth grade education and mother of five children, she is a small vendor of refrigerated products, mainly meat and poultry. Over the past two years, she received two loans. She credits the first loan with "rescuing her from the abyss" of a "chulquero" or loan shark. She had borrowed roughly \$350 from a moneylender in order to construct four small production facilities, but the money was not enough to complete construction. Over the next one and one-half years, she paid the moneylender over \$1,100 (an annual interest rate of about 212 percent). On the verge of going broke, the stress was negatively affecting her health. With a fortuitous bonus paid by her husband's employer and the initial loan from Banco Solidario, she was able to pay off the loan from the "chulquero," and expand her business with the purchase of her own freezer.*

- **Housing Solutions** - RP 3 is addressing one of the most basic needs of low-income groups: access to shelter. Toward this goal, an executive decree, culminating two years of policy dialogue and external technical assistance, was signed thereby implementing the Housing Incentives System. By linking direct, transparent, and targeted GOE assistance to poor families with the private financial and construction sectors, the Housing Incentives System increases poor families' access to housing solutions and credit. Dialogue efforts have resulted in the establishment of a Mortgage Titling Company, the Compania de Titularizacion Hipotecaria (CTH) in January 1997. The CTH will consist of a total of 24 private sector organizations with 60 percent of the shares (seven Savings and Loans, fourteen private commercial banks, two credit unions and one stock market company); and the Ecuadorian Housing Bank, representing the public sector with 40 percent of the shares. International finance institutions such as the Andean Financial Corporation (CAF), and the IDB's IFC are interested in supporting the CTH as shareholders and/or providers of credit to the CTH. The program contemplates a final evaluation on the use of funds and results achieved in or around September 1997.
- **Community Development & Poverty Amelioration** - Under RP 4, the Special Development Activity Authority Fund (SDAA) supported productive activities in agriculture, small animal husbandry, handicrafts, and solid waste recycling. Over forty small, community-based projects have been implemented, eleven with the direct oversight and technical assistance of Peace Corps volunteers based in remote, rural communities. Several activities served as models to be replicated in other parts of the country. The SDAA promotes women's participation and is an excellent alternative for integrating women in productive activities. For this reason, the program was presented in the 7th Forum of the Association for Women in Development in Washington, D.C. last September. The SDAA has consistently exceeded Mission expectations. Likewise, local demand for projects has exceeded the financial capacity of the program (\$282,931 were expended against a planned budget of \$200,000). In total, the SDAA directly reached some 30,464 ultimate clients against a target of 20,000. Of these, 10,252 were poor women.
- In FY 95 thirty activities were approved under CARE/FISE. Implementation of such activities began in FY 95 and will end in July 1997. It is important to mention that due to the interest rate

earned from this account, an additional \$939,000 will be invested in the implementation of these projects.

## **2. SO 1 Proposed Transition Plan**

SO 1 is being terminated in the coming fiscal year. Only RP 2 "Microenterprise Assistance and Strengthening" activities will continue, but as a Special Objective, and only through FY 2000. At this point, the activities have moved well into implementation, and solid relationships with partners have been developed. As a result, prospects for achieving the targets within the timeframe are realistic.

Of the two major activities under RP 1 "Policy Dialogue and Implementation," IPR-related activities will be completed by the end of FY 1997 and microenterprise advocacy and networking activities by the end of FY 1998. However, having identified the lack of a national consensus on the GOE macroeconomic and social reform program in the past as a major cause for slow advancements, the World Bank is now planning to focus on developing policy dialogue, and carrying out information dissemination and discussions with a wide range of actors throughout society by means of seminars. Topics will complement or continue the work previously undertaken by USAID/Ecuador and will stress the importance of macroeconomic management, structural reforms, and the need for a consensus on a poverty reduction strategy.

Activities under RP 3 "Housing Solutions" will be continued at a reduced level by the Global Bureau, outside of the context of the Mission's Strategic Plan. These activities will, however, continue to complement Mission activities with a focus on providing access to services by low income groups.

Finally, activities under RP 4 "Community Support" will be redefined to specifically support the remaining SOs, and will be integrated into achievement of those results (health and family planning, democracy, environment and microenterprise development), as appropriate. Women's participation will reach at least 30 percent. The SDAA will continue to channel resources to US Peace Corps (PC) supported activities, with a minimum of \$50,000 assigned to the Peace Corps on a yearly basis.

## **3. SO 1 Expected Progress through FY 1999 and Management Actions**

### **INTERMEDIATE RESULT A: Increased competitiveness of the economy**

- With the termination of activities under this IR by the end of FY 1998, remaining efforts will focus on working with Fundacion Ecuador to ensure the long term sustainability of the organization as a whole and to create a microenterprise unit within Fundacion Ecuador to support microenterprise development more generally. Other activities will focus on demand-driven economic and social reforms aimed at reactivating the economy.

### **SPECIAL OBJECTIVE: Microenterprise Assistance and Support**

- **Equity Financing** - Under RP 2, which will be spun off as a separate Special Objective, USAID/Ecuador will continue to invest equity in and provide technical assistance to selected financial institutions for the purpose of increasing and improving their delivery of financial services to microentrepreneurs. In addition, through FY 1999, the Mission will identify, design and incorporate into its action plan new activities that may include an NGO rediscount facility, a guarantee pool, and NGO share ownership in selected financial institutions, among others. The team will also (1) conduct an analysis of the formal banking system with a view toward identifying banks interested in microenterprise lending as a means of significantly expanding sources of credit to the microenterprise sector; (2) provide technical assistance to banks selected; and (3) dialogue with the IDB and the Corporacion Financiera Nacional (CFN) to discuss the possibility of providing lines of credit to these banks for microenterprise lending.

- **Village Banking** - USAID/Ecuador also will provide additional funding to village banking aimed at establishing a network of NGOs with sustainable anti-poverty lending programs.

#### **INNOVATIVE FINANCING FOR VILLAGE BANKING**

*Village banking, an activity initiated by USAID/Ecuador in October last year, consists of the establishment of very small banks comprised of 25-30 poor businesswomen. These women receive very small loans (\$80-\$200) for productive enterprises aimed at improving their businesses, increasing their incomes and promoting their empowerment.*

*In these difficult times of shrinking budgets, funding for this important activity is extremely limited, particularly when compared to demand. To at least partially resolve this problem, USAID/Ecuador and the Foundation for International Community Assistance (FINCA) recently visited Banco Solidario -- a newly established private bank dedicated to microenterprise development -- to inquire as to the feasibility of the establishment of a line of credit to FINCA in support of its USAID-supported village banking activity. The bank agreed to provide FINCA with a line of credit five times the amount FINCA would place with the bank and at a very favorable interest rate. This is a first for Ecuador. Based on this action, other international donors are considering grants and or loans to FINCA that could be leveraged in a similar manner. USAID/Ecuador will dialogue with other partners implementing the village banking methodology, namely Catholic Relief Services and Project Hope, regarding this new approach to credit.*

#### **G Bureau Activities**

- **Housing** - Selected activities previously incorporated into IR 3 will be continued by RUDO/Quito as they work with the Compania de Titularizacion Hipotecaria (CTH), established in January 1997, in order to activate the HG-007. The CTH, a private sector institution, will replace the program's current public sector implementing agency, the Ecuadorian Housing Bank. In FYs 1998 and 1999, technical assistance will be provided to assist the CTH in its development, particularly in terms of its ability to mobilize resources for low-income housing and to carry out its financial responsibilities in the housing sector. RUDO/Quito will continue to dialogue with both the IDB and MIDUVI related to the implementation of a comprehensive GOE/private sector housing program, including the issuance of housing subsidies in accordance with the terms and conditions previously agreed to.

#### 4. SO 1 Performance Data Tables

<b>OBJECTIVE:</b> Strategic Objective 1 - Sustainable Economic Growth for a Broad Base of the Population <b>APPROVED:</b> MAY/1994 <span style="float: right;"><b>COUNTRY/ORGANIZATION:</b> USAID/Ecuador</span>			
<b>RESULT NAME:</b> Strategic Objective			
<b>INDICATOR:</b> SO 1 (a) - Real growth in GDP per-capita			
<b>UNIT OF MEASURE:</b> Percentage	<b>YEAR</b>	<b>PLANNED</b>	<b>ACTUAL</b>
<b>SOURCE:</b> Central Bank of Ecuador, Monthly Bulletin	1992(B)	1.0	1.3
<b>INDICATOR DESCRIPTION:</b> Annually (SEP Advisor)	1993	1.3	-0.2
<b>COMMENTS:</b> Note: As this SO is being terminated, this indicator will <u>not</u> be continued in the new Strategic Plan period.	1994	1.5	2.1
	1995	1.0	0.2
	1996	1.0	-0.1
	1997	1.5	
	1998	2.0	
	1999	2.8	
	2000	3.0	

<b>OBJECTIVE:</b> Strategic Objective 1 - Sustainable Economic Growth for a Broad Base of the Population <b>APPROVED:</b> MAY/1994 <span style="float: right;"><b>COUNTRY/ORGANIZATION:</b> USAID/Ecuador</span>			
<b>RESULT NAME:</b> Strategic Objective			
<b>INDICATOR:</b> SO 1 (b) - World Bank statistics (LSMS).			
<b>UNIT OF MEASURE:</b> Percent of population below poverty line.	<b>YEAR</b>	<b>PLANNED</b>	<b>ACTUAL</b>
<b>SOURCE:</b> Central Bank of Ecuador, Monthly Bulletin	1994(B)	35.0	35.0
<b>INDICATOR DESCRIPTION:</b> Annually (SEP Advisor)	1995	35.0	35.0
<b>COMMENTS:</b> Note: As this SO is being terminated, this indicator will <u>not</u> be continued in the new Strategic Plan period.	1996	35.0	35.0
	1997	35.0	
	1998	34.0	
	1999	34.0	
	2000	33.0	

<b>OBJECTIVE:</b> Strategic Objective 1 - Sustainable Economic Growth for a Broad Base of the Population <b>APPROVED:</b> MAY/1994 <span style="float: right;"><b>COUNTRY/ORGANIZATION:</b> USAID/Ecuador</span>			
<b>RESULT NAME:</b> IR A - Increased competitiveness of the economy			
<b>INDICATOR:</b> A - Increases in the ratios of non-traditional exports to GDP			
<b>UNIT OF MEASURE:</b> Percentage	<b>YEAR</b>	<b>PLANNED</b>	<b>ACTUAL</b>
<b>SOURCE:</b> Central Bank of Ecuador Monthly Bulletin	1992(B)	2.0 %	2.3 %
<b>INDICATOR DESCRIPTION:</b> Annually (SEP Advisor)	1993	2.2 %	3.5 %
<b>COMMENTS:</b> Note: This indicator will <u>not</u> continue as a measurement of the Policy Dialogue Results Package during the new Strategic Plan period. Given funding reductions, activities being implemented are of a very limited scope and thus will have a negligible impact on this indicator.	1994	2.4 %	4.0 %
	1995	2.6 %	4.8 %
	1996	2.8 %	5.8 %
	1997	3.0 %	
	1998	3.2 %	
	1999	3.4 %	
	2000(T)	3.6 %	

OBJECTIVE: Strategic Objective 1 - Sustainable Economic Growth for a Broad Base of the Population			
APPROVED: MAY/1994		COUNTRY/ORGANIZATION: USAID/Ecuador	
RESULT NAME: IR A.1 - More efficient investment in people.			
INDICATOR: A.1 (a) - Primary education repetition rates			
UNIT OF MEASURE: Percentage	YEAR	PLANNED	ACTUAL
SOURCE: Ministry of Education	1992(B)	27.0	27.0
INDICATOR DESCRIPTION: Annually (SEP Advisor)	1993	25.0	24.0
COMMENTS: Ministry of Education calculations have proven to be flawed, and thus actuals for 1995 -1997 are not available. Note: This indicator will <u>not</u> continue as a measurement of the Policy Dialogue Results Package during the new Strategic Plan period. Given funding reductions, activities being implemented are of a very limited scope and thus will have a negligible impact on this indicator.	1994	24.5	24.0
	1995	24.0	n.a.
	1996	23.5	n.a.
	1997	23.0	
	1998	22.5	
	1999	22.0	
	2000(T)	21.5	

<b>OBJECTIVE:</b> Strategic Objective 1 - Sustainable Economic Growth for a Broad Base of the Population			
<b>APPROVED:</b> MAY/1994		<b>COUNTRY/ORGANIZATION:</b> USAID/Ecuador	
<b>RESULT NAME:</b> IR A.1 - More efficient investment in people.			
<b>INDICATOR:</b> A.1 (b) - Percent of labor force covered by Social Security			
<b>UNIT OF MEASURE:</b> Percent	<b>YEAR</b>	<b>PLANNED</b>	<b>ACTUAL</b>
<b>SOURCE:</b> Social Security Institute, Statistics Department, private pension institutions	1992(B)	29.0	30.1
<b>INDICATOR DESCRIPTION:</b> Annually (SEP Advisor)	1993	30.0	31.3
<b>COMMENTS:</b> Note: This indicator will <u>not</u> continue as a measurement of the Policy Dialogue Results Package during the new Strategic Plan period. Given funding reductions, Social Security Reform activities ended in 1996.	1994	31.0	32.0
	1995	32.0	33.0
	1996	33.0	n.a
	1997	34.0	
	1998	35.0	
	1999	36.0	
	2000(T)	37.0	

OBJECTIVE: Strategic Objective 1 - Sustainable Economic Growth for a Broad Base of the Population			
APPROVED: MAY/1994		COUNTRY/ORGANIZATION: USAID/Ecuador	
RESULT NAME: IR A.2 - Accession to free trade areas in the Americas			
INDICATOR: A.2 - Process indicator			
UNIT OF MEASURE: Public Information	YEAR	PLANNED	ACTUAL
SOURCE: Focus group results, Official Register	1996	Identification of needed reforms	Done
INDICATOR DESCRIPTION: Annually (RPM-1)	1997	Publication and discussion	
COMMENTS: Ecuador joined the WTO in 1996. As of end April 1997, Congress was debating ratification of the Bilateral IPR Agreement with the US Note: This indicator will <u>not</u> continue as a measurement of the Policy Dialogue Results Package during the new Strategic Plan period. Given funding reductions, activities in support of macroeconomic reform ended in 1996. Efforts continue only in the area of Intellectual Property Rights Protection.	1998	Consensus building	
	1999	Consensus building	
	2000	Consensus building	

OBJECTIVE: Strategic Objective 1 - Sustainable Economic Growth for a Broad Base of the Population			
APPROVED: MAY/1994		COUNTRY/ORGANIZATION: USAID/Ecuador	
RESULT NAME: IR A.3 - Increased private sector participation in the economy			
INDICATOR: A.3 - Increase in private investment			
UNIT OF MEASURE: percentage increase in real terms	YEAR	PLANNED	ACTUAL
SOURCE: Central Bank of Ecuador, Monthly Bulletin	1992(B)	5	6.8
INDICATOR DESCRIPTION: Annually (RPM-1)	1993	5	4.0
COMMENTS: Note: This indicator will <u>not</u> continue as a measurement of the Policy Dialogue Results Package during the new Strategic Plan period. Given funding reductions, activities in support of Macroeconomic Reform, including Privatization of State Owned Enterprises, ended in 1996.	1994	5	4.5
	1995	5	6.9
	1996	5	-3.9
	1997	5	
	1998	5	
	1999	5	
	2000(T)	5	

<b>OBJECTIVE:</b> Strategic Objective 1 - Sustainable Economic Growth for a Broad Base of the Population			
<b>APPROVED:</b> MAY/1994		<b>COUNTRY/ORGANIZATION:</b> USAID/Ecuador	
<b>RESULT NAME:</b> IR B - Expanded opportunities and participation by low-income groups in a growing market economy			
<b>INDICATOR:</b> B - Increase in employment in selected microenterprises.			
<b>UNIT OF MEASURE:</b> Percentage increase in employment in selected micro and small enterprises compared with overall percentage increase in employment. <b>SOURCE:</b> Financiera Uno, Banco Solidaria, ACCION, Enlace <b>INDICATOR DESCRIPTION:</b> Annually (RPM-2) <b>COMMENTS:</b> Note: This indicator will <u>not</u> continue during the Strategic Plan period as the more relevant indicator is the number of borrowers in Indicator B.1 (a).	<b>YEAR</b>	<b>PLANNED</b>	<b>ACTUAL</b>
	1995	1.2	1.2
	1996	1.2	1.2
	1997	1.2	
	1998	1.2	
	1999	1.2	
	2000	1.2	

OBJECTIVE: Strategic Objective 1 - Sustainable Economic Growth for a Broad Base of the Population			
APPROVED: MAY/1994		COUNTRY/ORGANIZATION: USAID/Ecuador	
RESULT NAME: IR B.1 - Increased access to financial services to microentrepreneurs			
INDICATOR: B.1 (a) - Increase in the number of microentrepreneur borrowers by year.			
UNIT OF MEASURE: Number of borrowers per year.	YEAR	PLANNED	ACTUAL
SOURCE: Enlace, Financiera Uno, Solidaria, ACCION			
INDICATOR DESCRIPTION: Quarterly (RPM-2)	1995(B)	15,200	13,250
COMMENTS: (1) Figures for 1995 represent data from Corpomicro and its NGOs, Grupo Enlace and Financiera Uno (FUno). (2)The low actual for 1996 is due to the following: (a) Fundacion Ecuatoriana de Desarrollo (FED), Ecuador's largest microenterprise NGO, decided not to participate in the program; (b) the anticipated merger of Corpomicro and Financiera Uno, potential partners under the CARE Cooperative Agreement, did not materialize; and (c) 1996 figure for actual represents Banco Solidario only. (3) Planned targets for 1997-2000 include Banco Solidario and CARE. Note: This indicator (with adjusted targets) will continue as a measurement of the Microenterprise Special Objective during the Strategic Plan period.	1996	24,470	2,466
	1997	35,140	
	1998	51,740	
	1999	76,200	
	2000(T)	110,380	



OBJECTIVE: Strategic Objective 1 - Sustainable Economic Growth for a Broad Base of the Population			
APPROVED: MAY/1994		COUNTRY/ORGANIZATION: USAID/Ecuador	
RESULT NAME: IR B.1 - Increased access to financial services to microentrepreneurs			
INDICATOR: B.1 (b) - Increase the total yearly volume of credit to microentrepreneurs			
UNIT OF MEASURE: \$ million	EAR	PLANNED	ACTUAL
SOURCE: Enlace, Financiera Uno, Solidaria, ACCION	1995(B)	3.9	6.7
INDICATOR DESCRIPTION: Quarterly (RPM-2)	1996	8.7	2.0
COMMENTS: The drop in actual is due to the following: (1) the FED (Fundacion Ecuatoriana de Desarrollo), Ecuador's largest microenterprise NGO, decided not to participate in the program; and (2) the anticipated merger of CorpoMicro and Financiera Uno, potential partners under the CARE Cooperative Agreement, did not occur. Note: This indicator will not continue as a measurement of the Microenterprise Special Objective during the new Strategic Plan period as the more relevant indicator is the number of borrowers in Indicator B.1 (a).	1997	9.4	
	1998	15.3	
	1999	25.0	
	2000(T)	32.2	

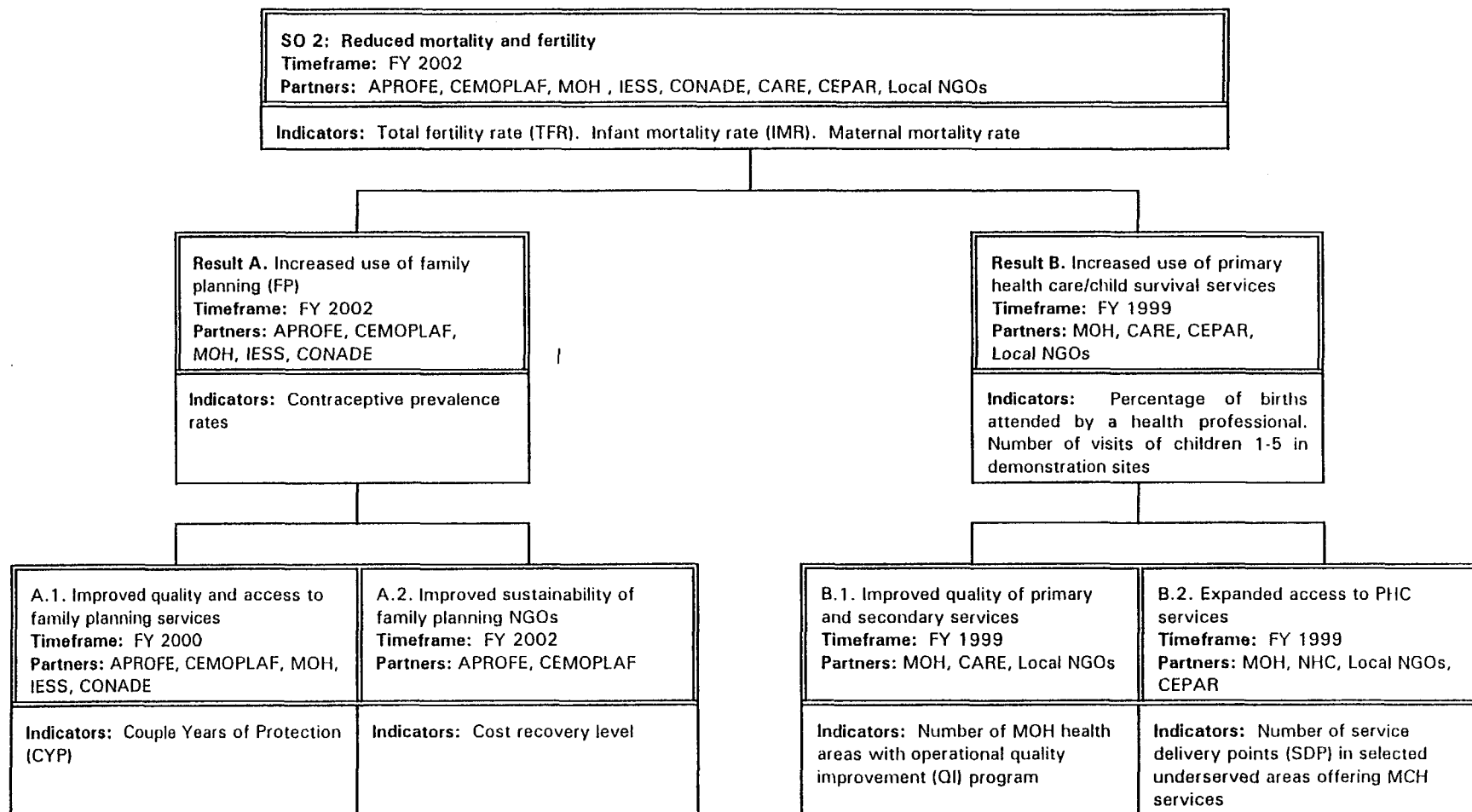
OBJECTIVE: Strategic Objective 1 - Sustainable Economic Growth for a Broad Base of the Population			
APPROVED: MAY/1994		COUNTRY/ORGANIZATION: USAID/Ecuador	
RESULT NAME: IR B.1 - Increased access to financial services to microentrepreneurs			
INDICATOR: B.1 (c) - Increase in the amount of saving deposits in targeted financial institutions by year			
UNIT OF MEASURE: \$ 000	YEAR	PLANNED	ACTUAL
SOURCE: Licensed selected banks.	1996(B)	--	0
INDICATOR DESCRIPTION: Semi-annually (RPM-2)	1997	497.0	
COMMENTS: Note: This indicator will <u>not</u> continue as a measurement of the Special Objective during the new Strategic Plan period as the more relevant indicator is the number of borrowers in Indicator B.1 (a).	1998	638.0	
	1999	872.0	
	2000(T)	1,522.0	

OBJECTIVE: Strategic Objective 1 - Sustainable Economic Growth for a Broad Base of the Population			
APPROVED: MAY/1994		COUNTRY/ORGANIZATION: USAID/Ecuador	
RESULT NAME: IR B.2 - Increased access for low income groups to housing solutions			
INDICATOR: B.2 (a) - Number of housing incentives issued to low-income families			
UNIT OF MEASURE: Number of units (cumulative)	YEAR	PLANNED	ACTUAL
SOURCE: MIDUVI	1995(B)	0	0
INDICATOR DESCRIPTION: Semi-annually (RPM-3)	1996	1,000	0
COMMENTS: The Housing Incentives System was approved by Presidential Decree during the Duran-Ballen administration and funded in March 1996. However, implementation of the system has been delayed due to the lack of a coherent housing policy during the Bucaram administration, as well as the recent change of government. Note: This indicator will <u>not</u> be included in the new Strategic Plan, but will continue to be tracked by G/ENV/UP.	1997	3,000	
	1998	6,000	
	1999	10,000	
	2000(T)	15,000	

OBJECTIVE: Strategic Objective 1 - Sustainable Economic Growth for a Broad Base of the Population			
APPROVED: MAY/1994		COUNTRY/ORGANIZATION: USAID/Ecuador	
RESULT NAME: IR B.2 - Increased access for low income groups to housing solutions			
INDICATOR: B.2 (b) - Total value of housing incentives issued			
UNIT OF MEASURE: \$ 000 (cumulative)	YEAR	PLANNED	ACTUAL
SOURCE: MIDUVI	1995(B)	0	0
INDICATOR DESCRIPTION: Semi-annually (RPM-3)	1996	3,000	0
COMMENTS: The Housing Incentives System was approved by Presidential Decree during the Duran-Ballen administration and funded in March 1996. However, implementation of the system has been delayed due to the lack of a coherent housing policy during the Bucaram administration, as well as the recent change of government. Note: This indicator will <u>not</u> be included in the new Strategic Plan, but will continue to be tracked by G/ENV/UP.	1997	9,000.	
	1998	18,000	
	1999	30,000	
	2000(T)	45,000	

OBJECTIVE: Strategic Objective 1 - Sustainable Economic Growth for a Broad Base of the Population			
APPROVED: MAY/1994		COUNTRY/ORGANIZATION: USAID/Ecuador	
RESULT NAME: IR B.3 - Increased access by the poverty level segments of society to donor financing			
INDICATOR: B.3 - Number of final customers			
UNIT OF MEASURE: Low-income people (thousands)	YEAR	PLANNED	ACTUAL
SOURCE: CARE/FISE, PEACE CORPS, SDAA PEACE/CORPS records	1992(B)		19.9
INDICATOR DESCRIPTION: Quarterly (RPM-4)	1993		204.4
COMMENTS: - FY 1992 contemplates indicators from SDAA activities only. - FYs 1993 and 1994 reflect figures from SDAA and FISE activities. - FY 1995 indicators include figures from all sources. - CARE/FISE activities started in FY 1995 and will end in July 1997. However, the total number of final customers (77,142) is included in FY 1995 figures. - Projections and actual figures for FYs 1996, 1997, 1998, 1999 and 2000 are specifically for SDAA/PC activities, considering that financing for FISE and CARE/FISE was invested in previous FYs and no additional funds will be provided by USAID. - Beginning in FY 1995, the Peace Corps Special Project Activity (SPA) has been financed under the SDAA program. For this reason it is included under the SDAA/PC figures. Note: Although the Mission will continue to track performance, it will <u>not</u> be included at the IR level in the Strategic Plan.	1994		279.6
	1995		1,268.7
	1996	SDAA/PC: 20.0	30.4
	1997	SDAA/PC: 20.0	
	1998	SDAA/PC: 20.0	
	1999	SDAA/PC: 15.0	
	2000(T)	SDAA/PC: 15.0	

## Strategic Objective 2 - Family Planning/Health Results Framework



## **1. SO 2 Performance Analysis**

**Summary** - Overall performance of the SO, as measured by ten indicators (see attached), was very good. All ten of the planned targets were met, and one was slightly exceeded. The Mission is especially encouraged by the successes of NGO partners in both health and family planning. In health, CARE, the APOLO NGOs and CEPAR demonstrated significant successes in achieving health reform actions at the local and provincial level, providing sustainable models, and completing policy analyses and studies relevant for national level change. All of these activities, consistent with the mandates of the Summit of the Americas, are directed at increasing equitable access to basic health services. In family planning, USAID/Ecuador partner NGOs reached ever higher levels of cost recovery (now 70 percent), while still keeping their focus on providing access to the less affluent and underserved populations of women.

Because of the new phase-out strategy, donor coordination has become a key component of USAID/Ecuador activities, both to leverage additional resources (e.g. APOLO co-financing from Dutch, Belgium and Canada) and to coordinate on-going efforts effectively. In 1996 both USAID/Ecuador and its partners were active in this area, especially in health reform, where USAID/Ecuador continued to coordinate with the MOH, National Health Council and the Interagency Committee on Health Reform. The USAID field support QA, RPM, OMNI and BASICS activities are virtually woven together or clearly articulated with the World Bank and PAHO programs. In family planning also, efforts have been made to obtain Dutch funding for successful but limited programs with USAID/Ecuador partner NGOs, such as adolescent sex education. And USAID/Ecuador, with field support from JHU/PCS has been the leader in a multi-donor initiative in maternal mortality reduction.

### **STRATEGIC OBJECTIVE 2: Reduced levels of Mortality and Fertility**

Progress on all three of the SO 2 indicators can only be reliably and cost-effectively measured every five years through a national survey, such as the DHS. (Because of this, and the many contributors to these indicators which are largely beyond USAID/Ecuador's manageable interest, the Mission's FY 1998-2002 Strategic Plan proposes revising the SO 2). Based on current estimates of CEPAR, UNICEF and INEC, the total fertility rate did continue to decline to 3.4 as corroborated by proxy evidence of increased contraceptive prevalence and couple years of protection. At the same time, it is estimated that increasing problems in the health sector have stalled declines in infant and maternal mortality.

### **INTERMEDIATE RESULT A: Increased use of family planning (FP) services**

- **Improved Sustainability** - Both of USAID/Ecuador's main partners, APROFE and CEMOPLAF, continue to offer a wide variety of reproductive health services including pediatric and general health care, clinical laboratories, pharmacies, and child birth services. The provision of other services beyond family planning originated as a sustainability strategy. As the NGOs charge higher fees for these services, the income generated subsidizes the cheaper family planning services. This has proved very successful, increasing their cost recovery levels from 1991 to 1997 from 30 percent to over 70 percent. However, another positive outcome of this strategy has been that now both NGOs provide more comprehensive care to the women and men that seek their services, which is in accordance with the Cairo conference recommendations.

APROFE and CEMOPLAF are carefully evaluating the impact the emphasis on sustainability may have on the type of population they serve to assure that poorer women and men will always have access to FP/reproductive health services. A study on the price elasticity of demand is being done with technical assistance from The Population Council, The Futures Group, and Family Health International. Preliminary results show that the demand remains at similar levels even with significant price increases. The final results will be crucial in the strategic planning process of the NGOs. Another study is underway in indigenous areas, to develop less expensive community outreach from low performing, highly subsidized clinics.

USAID/Ecuador's strategy is to provide adequate support to APROFE and CEMOPLAF to enable them to continue service delivery to poorer segments of the population until health reform/targeting of the poor is implemented (and effective) by the MOH and/or Seguro Campesino (the Rural Social Security program) in five to ten years.

- **Social marketing** - The social marketing sales program launched by CEMOPLAF continues to improve access to contraceptive methods as measured by couple years of protection (CYP). During FY 1996 this program contributed 67 percent of the total CYP provided by CEMOPLAF. In financial terms, the contraceptives social marketing sales program accounted for 20 percent of their program generated income.
- **Reproductive Health Training** - By converting APROFE into a Reproductive Health Training Center, USAID/Ecuador has improved the quality of reproductive health services provided. The standardization of services throughout their twenty clinic network, the revision and upgrade of their medical norms, and the change in attitude towards the patients has revamped the way APROFE works, greatly improving the quality of the services provided. APROFE is now ready to start offering training services to other organizations, which will allow them to develop an alternative income generating activity.
- **Improved Logistics Management of Contraceptives** - An initial phase-out plan for contraceptive donations by USAID was prepared in conjunction with the partners involved and G/PHN/POP. However, upon further analysis it was found that implementation of the plan on the original schedule was not feasible and the Mission has therefore requested additional assistance from G/PHN/POP to help strengthen the plan.

#### **INTERMEDIATE RESULT B: Increased use of primary health care/child survival services.**

- **Improved Quality** - APOLO, the QA Project, RPM and BASICS improved and/or expanded over twenty service delivery points during the year. Quality Improvement (QI) activities were implemented in fourteen MOH Health Areas and 298 MOH officials received training in quality improvement, including 188 women (63 percent) and 110 men (37 percent). Eight MOH Health Areas initiated implementation of a decentralized drug management system and forty-five trainers were trained. BASICS, in coordination with OPS and the MOH, developed a national level workplan for implementing Integrated Management of Childhood Illness (IMCI), and over one hundred public and private sector officials were trained in the IMCI methodology which is being implemented nationwide.
- **Health Sector Reform** - Although health sector reform at the national level has lagged because of government turmoil, considerable progress was made by USAID/Ecuador in 1996 working through private sector organizations and local government. CEPAR, one of USAID/Ecuador's local partners, conducted 35 consensus-building seminars on topics related to health reform. A total of 1483 people participated including 752 women (51 percent) and 731 men (49 percent). Nationwide studies were completed on "Decentralization," "Financial Diagnosis of the health Sector," "Health Sector Analysis," "Public Opinion Survey of Leaders," "Historical Development of the Health Sector," plus local analyses at the provincial and canton levels focused on strengthening the decentralization process. Pilot projects related to decentralization and local participation were initiated. (See the following section on demonstration projects.) Finally, the MOH NGO Coordination Office began to function, conducting a survey of health-care NGOs and a seminar on MOH/NGO Coordination.
- **Demonstration Projects** - Both CARE/APOLO and CEPAR designed and implemented successful pilot projects in 1996 with excellent prospects for sustainability and contribution to health reform. APOLO projects focused on strengthening MCH services in eleven NGOs. Innovative demonstration models include alternative financing, municipalization/decentralization, organization of demand, child health/IMCI, maternal health, targeting of subsidies, and health-network development. CEPAR models focus on strengthening local government to implement health reform activities (e.g.,

decentralization/local participation) and improving local health services (e.g., drug management, quality of care, etc.)

#### HEALTH REFORM MOVES AHEAD AT THE LOCAL LEVEL

*USAID/Ecuador, through the CARE/APOLO Project, is implementing innovative decentralized models of health care delivery, organization, and financing which emphasize public-private collaboration, local participation/self governing local health committees, and sustainability. These models in Bolivar, Chordeleg and Pedro Vicente Maldonado feature agreements between the Ministry of Health (MOH) and either the municipality (municipalization model) or local social organizations (social organization model) in which the MOH health center (and in one case personnel) are administered by the community.*

*The APOLO Project is attaining political commitments at the national and local levels; developing an effective political/technical base at the local level; facilitating the transfer of financial, technological, and human resources; and strengthening local capacity to manage and make critical decisions regarding all aspects of service delivery. USAID/Ecuador and APOLO working together have arranged joint donor financing for the projects, involving the Dutch in Chordeleg, the Canadians in Bolivar, and various donors in Pedro Vicente Maldonado. This will assure adequate and on-going financing of these long-term efforts. As a result, meaningful health reform is underway, despite the setbacks and delays at the national level.*

## 2. SO 2 Proposed Transition Plan

Under the new Strategic Plan, USAID/Ecuador has revised the Strategic Objective and Intermediate Results due to the phase-out mandate and expanded emphasis on sustainability and donor coordination. SO 2 has been revised to more realistically identify USAID/Ecuador's contribution and to reflect the importance of sustainability as "Increased use of sustainable family planning/maternal child health services." Achievement of this result will be measured through a sustained increase in contraceptive prevalence rates and the number of women and children served by improved/expanded MCH services.

This Strategic Objective will be terminated as of the end of FY 2000. At that time, a special objective to complete the final phase of financial support to family planning NGOs under RP 1 "Family Planning" will be undertaken through FY 2002. USAID/Ecuador is the major donor in family planning, and the only other large donor, UNFPA, is also reducing its assistance to Ecuador in the coming years. The sustainability of USAID/Ecuador's partner NGOs in family planning, APROFE and CEMOPLAF, will therefore be the primary focus during the Strategic Plan period. After substantial investment in supporting these organizations in making a significant contribution to reducing the total fertility rate and thereby contributing to the sustainability of development in Ecuador, the Mission is giving top priority to guaranteeing that this contribution will continue after USAID's funding is completed. In addition, the NGOs will continue to identify means to expand into rural areas and meet unmet need for family planning services.

In preparation for the phase-out of RP 2 "Child Survival" activities, donor coordination will continue to be a major emphasis of both USAID/Ecuador and its partners as we seek specific intermediate-term financing of CS activities by the World Bank, IDB, and other donors. Given the deteriorating health statistics and the increase in the percent of people in the country that are in absolute poverty, (estimated by various sources, at between 40 percent and 65 percent), sometime prior to FY 2000, USAID/Ecuador will reevaluate the decision to terminate the activities under RP 2 "Child Survival". According to a 1995 UNICEF/Frente Social Ecuador evaluation of sixteen health indicators, thirteen deteriorated between 1981 and 1995, including (according to the UNICEF publication "Yo Cuento Contigo") indicators related to maternal mortality, mortality of children under one year of age, immunization coverage, institutional deliveries, and water and sanitation.

### 3. SO 2 Expected Progress through FY 1999 and Management Actions

**Strategic Objective: Increased use of sustainable family planning/maternal child health services.**

Based on the Mission's new Strategic Plan, the reduced levels of future resources and USAID/W mandate to phase out of this SO by FY 2000, SO 2 will retarget results to a level of more manageable interest, concentrating on leaving behind sustainable FP and MCH services. These services, provided by APROFE, CEMOPLAF, APOLO NGO clinics and the improved MOH clinics, will contribute to an increased contraceptive prevalence rate of 59.6 percent, and will have served 600,000 women and children with improved MCH services by 2000. The results outlined below should be viewed from the context of the revised SO 2 Results Framework presented in the new Strategic Plan.

#### **INTERMEDIATE RESULT 1: Increased use of family planning services**

- **Sustainability funds** - One of the main interventions in FP, is to promote long-term sustainability through the establishment of Sustainability Funds. USAID/Ecuador will cover APROFE and CEMOPLAF's operating costs, which will liberate their program income to be deposited into their respective Sustainability Funds. The income generated through the investment of the fund will cover the gap in their budget that will arise once USAID/Ecuador assistance ends. Through this mechanism, the FP NGOs will be able to continue offering the same level of services and if possible expand their coverage. Two funds, one for APROFE and one for CEMOPLAF, will be established and functioning by the end of FY 1997, and by the end of FY 1999 USAID/Ecuador expects these NGOs to have reached 85 percent cost recovery.

- **Contraceptives Management and Phase-out** - The contraceptive phase-out plan will be revised and finalized by the end of FY 1997. The implementation of this plan will start in FY 1998. In addition, USAID/Ecuador is going to provide the NGOs with continued assistance from CDC on logistics management and procurement during the coming two years.

- **Maternal Mortality Reduction** - A new multi-donor GOE initiative headed by the First Lady will be supported through existing field support from JHU/PCS and OMNI; the PAHO-USAID regional MMR project; CEPAR; and possibly unused local currency generated by the Non Project Assistance portion of the Health and Family Planning Project, 518-0084.

#### **INTERMEDIATE RESULT B: Increase Use of Primary Health Care/Child Survival Services.**

- **Health Sector Reform** - The focus of health sector reform will be at the local level where CEPAR will continue to develop provincial and canton level reform councils; conduct studies/operations research related to decentralization, needs assessments; political mapping, cost-effectiveness; and train local officials. APOLO, BASICS, RPM, and QA will concentrate on developing activities at the provincial and municipal levels in order to maximize their impact and facilitate the development of replicable models.

- **Demonstration Projects** - Demonstration projects will be in the implementation and replication phases. Emphasis will be on the creation and implementation of different models including decentralization/municipalization, integrated FP and health; expansion of coverage with low financial risk; targeted subsidies; alternative financing mechanisms (preferred providers, franchising, fee for service) and private health network development that involve the community, offer quality services, and are sustainable. Efforts to replicate will include formal agreements with the MOH and other donors who will finance similar activities in other areas.

- **Quality Improvement** - Quality improvement activities during FY 1998 and 1999 will focus on training MOH personnel, institutionalizing QI at all levels of the MOH including the development of QI teams in hospitals and health areas, introducing accreditation, and completing QI projects in hospitals and health areas.

**MANAGEMENT ACTIONS** - As the current Health and Family Planning Project ends in September 1997, a new Population Results Package will be designed, which will run through FY 2002. It is projected to concentrate almost exclusively on providing CEMOPLAF and APROFE with support for their sustainability funds, totaling approximately \$3 million per year. A small amount to finance the 1999 DHS will also be included in the RP.

The existing Child Survival Results Package will be amended to continue activities for one additional year, through FY 2000.



#### 4. SO 2 Performance Data Tables

OBJECTIVE: Strategic Objective 2 - Reduced levels of mortality and fertility			
APPROVED: MAY/1994		COUNTRY/ORGANIZATION: USAID/Ecuador	
RESULT NAME: Strategic Objective			
INDICATOR: SO 2 (a) - Total Fertility Rate (TFR)			
UNIT OF MEASURE: Average number of children per woman in reproductive years. SOURCE: National Demographic and Health Survey (ENDEMAIN) INDICATOR DESCRIPTION: Every 5 years - 1999 (SOTL) COMMENTS: Verified independently every five years through a National Demographic Survey, the 1996 estimate and planned targets for 1997-2002 are based on the annual proxy measure of couple years of protection (CYPs) data available from annual service delivery data. Note: This indicator will <u>not</u> be included as an SO Indicator in the new Strategic Plan, as the SO itself will be restated as, " Increased use of sustainable family planning/maternal and child health services".	YEAR	PLANNED	ACTUAL
	1994(B)	--	3.60
	1995	3.5	3.5 (est)
	1996	3.4	3.4(est)
	1997	3.3	
	1998	3.2	
	1999	3.1	
	2000	3.0	
	2001	2.9	
	2002(T)	2.8	

OBJECTIVE: Strategic Objective 2 - Reduced levels of mortality and fertility			
APPROVED: MAY/1994		COUNTRY/ORGANIZATION: USAID/Ecuador	
RESULT NAME: Strategic Objective			
INDICATOR: SO 2 (b) - Infant Mortality Rate (IMR)			
UNIT OF MEASURE: Number of deaths to children under age 1 per 1,000 live births. SOURCE: ENDEMAIN INDICATOR DESCRIPTION: Every 5 years - 1999 (SOTL) COMMENTS: Note: This indicator will <u>not</u> be included as an SO Indicator in the new Strategic Plan, as the SO itself will be restated as, " Increased use of sustainable family planning/maternal and child health services".	YEAR	PLANNED	ACTUAL
	1994(B)	--	40
	1995	39	39(est)
	1996	38	39(est)
	1997	36	
	1998	34	
	1999	33	
	2000(T)	32	

OBJECTIVE: Strategic Objective 2 - Reduced levels of mortality and fertility			
APPROVED: MAY/1994		COUNTRY/ORGANIZATION: USAID/Ecuador	
RESULT NAME: Strategic Objective			
INDICATOR: SO 3 (c) - Maternal Mortality Ratio.			
UNIT OF MEASURE: Number of maternal deaths per 100,000 births. SOURCE: ENDEMAIN INDICATOR DESCRIPTION: Every 5 years - 1999 (SOTL) COMMENTS: Note: This indicator will <u>not</u> be included as an SO Indicator in the new Strategic Plan, as the SO itself will be restated as, " Increased use of sustainable family planning/maternal and child health services".	YEAR	PLANNED	ACTUAL
	1994(B)	--	160
	1995	155	155
	1996	150	158(est)
	1997	145	
	1998	140	
	1999	135	
	2000(T)	130	

<b>OBJECTIVE:</b> Strategic Objective 2 - Reduced levels of mortality and fertility			
<b>APPROVED:</b> MAY/1994		<b>COUNTRY/ORGANIZATION:</b> USAID/Ecuador	
<b>RESULT NAME:</b> IR A - Increased use of family planning services			
<b>INDICATOR:</b> IR A - Contraceptive Prevalence Rate			
<b>UNIT OF MEASURE:</b> Percentage of women in reproductive age currently using a method of contraception <b>SOURCE:</b> ENDEMAIN <b>INDICATOR DESCRIPTION:</b> Every 5 years - 1999 (SOTL) <b>COMMENTS:</b> This indicator will be verified independently every five years through a National Demographic Survey, with the next one planned for 1999. It should be noted that figures reflect all contraceptive methods, including modern and traditional. The target for the year 2000 was established based on current trends and contraceptive use profiles from the Ministry of Health, CONADE, and CEPAR. Achievement of the target will depend on strong participation by USAID/Ecuador partners, especially UNFPA, and a policy environment which allows for access to family planning methods by all women. Note: This indicator will continue as a measurement of the revised FP/MCH SO during the new Strategic Plan period.	<b>YEAR</b>	<b>PLANNED</b>	<b>ACTUAL</b>
	1994(B)	--	56.8
	1995	57.6	57.6 (est)
	1996	58.1	58.2(est)
	1997	58.6	
	1998	59.1	
	1999	59.6	
	2000	60.0	
	2001	60.5	
	2002(T)	61.0	

<b>OBJECTIVE:</b> Strategic Objective 2 - Reduced levels of mortality and fertility		<b>COUNTRY/ORGANIZATION:</b> USAID/Ecuador	
<b>APPROVED:</b> MAY/1994			
<b>RESULT NAME:</b> IR A.1 - Improved quality and access to family planning services			
<b>INDICATOR:</b> IR A.1 - Couple Years of Protection (CYP) provided by APROFE and CEMOPLAF			
<b>UNIT OF MEASURE:</b> Estimated protection provided by family planning services for a one year period, based upon volume & type of contraceptives distributed. <b>SOURCE:</b> NGO statistics <b>INDICATOR DESCRIPTION:</b> Annually (RPM-1) <b>COMMENTS:</b> This indicator measures quality and access to family planning services. The public sector was not included in this indicator because USAID/Ecuador's contribution to their program is small and, more importantly, there is no reliable data. The MOH publishes their service statistics one year late, and the Social Security Institute has an under reporting of over 50%. The target was based on past consumption of contraceptives. Since the 1996 target was not met (only 21.2% increase was achieved), the target for the years following were revised. The new targets were set with an 18% increase for 1997, 13%-1998, and 8% thereafter. Note: This indicator will continue as a measurement of the revised FP/MCH SO (IR 2) during the new Strategic Plan period.	<b>YEAR</b>	<b>PLANNED</b>	<b>ACTUAL</b>
	1994(B)	--	279,117
	1995	--	368,959
	1996	461,199	447,270
	1997	527,779	
	1998	596,390	
	1999	644,101	
	2000	647,918	
	2001	699,751	
	2002(T)	755,731	

<b>OBJECTIVE:</b> Strategic Objective 2 - Reduced levels of mortality and fertility			
<b>APPROVED:</b> MAY/1994		<b>COUNTRY/ORGANIZATION:</b> USAID/Ecuador	
<b>RESULT NAME:</b> IR A.2 - Improved sustainability of family planning NGOs			
<b>INDICATOR:</b> IR A.2 - Percentage of cost recovery of the two main family planning NGOs, APROFE and CEMOPLAF.			
<b>UNIT OF MEASURE:</b> Percentage of total costs covered by NGO generated income. <b>SOURCE:</b> NGO statistics and financial audits. <b>INDICATOR DESCRIPTION:</b> Annually (RPM-1) <b>COMMENTS:</b> Cost recovery, along with institutional maturity, is crucial to long term sustainability of the family planning organization. This indicator will be verified by NGO statistics and periodic financial audits. The target excludes a major portion of their contraceptive procurement needs which are currently donated by USAID and is based on the assumption that USAID/Ecuador support for the two organizations will terminate around 2002. An equally crucial assumption is that the two organizations, with assistance from USAID, will have established sustainability funds. Note: This indicator will continue as a measurement of the revised FP/MCH IR 1 during the new Strategic Plan period.	<b>YEAR</b>	<b>PLANNED</b>	<b>ACTUAL</b>
	1994(B)	--	62
	1995	65	66
	1996	70	70
	1997	75	
	1998	80	
	1999	85	
	2000	90	
	2001	95	
	2002(T)	100	

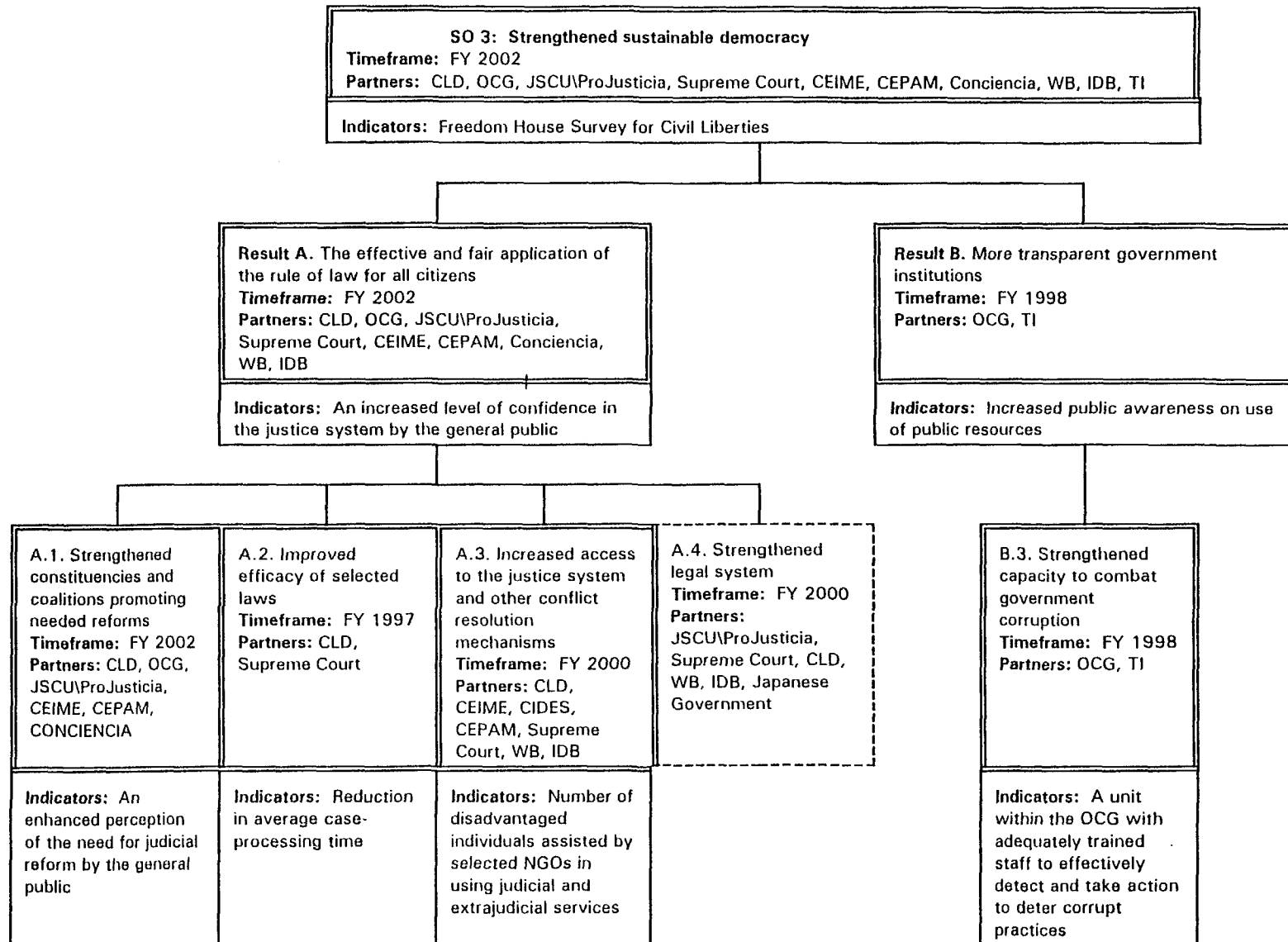
OBJECTIVE: Strategic Objective 2 - Reduced levels of mortality and fertility			
APPROVED: MAY/1994		COUNTRY/ORGANIZATION: USAID/Ecuador	
RESULT NAME: IR B - Increased use of primary health care/child survival services			
INDICATOR: IR B (a) - Births attended by a health professional.			
UNIT OF MEASURE: Percentage of births attended by a health professional. SOURCE: ENDEMAIN INDICATOR DESCRIPTION: Every 5 years - 1999 (SOTL) COMMENTS: Reliable measurement, through ENDEMAIN occurs every five years with the next planned for 1999. Due to the difficulty in making annual estimates, and the greater relevance of an indicator of results more closely tied to USAID/Ecuador's FP/MCH program efforts, this indicator will <u>not</u> be continued during the new Strategic Plan period. Indicator IR B (b) below serves as a better measure of this result.	YEAR	PLANNED	ACTUAL
	1994(B)	--	65%
	1995	67	67(est)
	1996	70	67(est)
	1997	75	
	1998	80.	
	1999	85	
	2000(T)	90	

OBJECTIVE: Strategic Objective 2 - Reduced levels of mortality and fertility						
APPROVED: MAY/1994			COUNTRY/ORGANIZATION: USAID/Ecuador			
RESULT NAME: IR B - Increased use of primary health care/child survival services						
INDICATOR: IR B (b) - Women and children (1-5) using improved or expanded MCH services.						
<b>UNIT OF MEASURE:</b> Number of women and children (000s - cumulative) <b>SOURCE:</b> MOH and CARE/APOLO records <b>INDICATOR DESCRIPTION:</b> Annually (RPM-2) <b>COMMENTS:</b> This indicator focuses on expanding access through both the public and private sectors and decentralization of services to municipalities. It measures the results of various USAID-funded activities including APOLO (private NGOs) and Quality Assurance, Rationale Pharmaceutical Management, AIEPI (Ministry of Health). For 1996, only APOLO and Quality Assurance activities are included in the "actual" results. Note: This indicator will continue as a measurement of the revised FP/MCH SO , in the new Strategic Plan and is being extended to the year 2000.	YEAR		PLANNED		ACTUAL	
			Ch.	Wom	Ch.	Wom
	1995(B)	0	0	0	0	
	1996	10	40	16.8	28.5	
	1997	35	100			
	1998	70	187			
	1999	120	334			
	2000(T)	170	434			

OBJECTIVE: Strategic Objective 2 - Reduced levels of mortality and fertility			
APPROVED: MAY/1994		COUNTRY/ORGANIZATION: USAID/Ecuador	
RESULT NAME: IR B.1 - Improved quality of primary and secondary services			
INDICATOR: IR B.1 MOH Health Areas with operational quality improvement (QI) programs.			
UNIT OF MEASURE: Number of areas (cumulative)	YEAR	PLANNED	ACTUAL
SOURCE: MOH and CARE progress reports	1995(B)	0	12
INDICATOR DESCRIPTION: Semi-annually (RPM-2)	1996	12	26
COMMENTS: The QI program, managed by the Washington based QA Project, is designed to strengthen the management and technical services of MOH health areas and health facilities. The indicator will <u>not</u> be measured during the new Strategic Plan period.	1997	24	
	1998	36	
	1999	48	
	2000(T)	52	

OBJECTIVE: Strategic Objective 2 - Reduced levels of mortality and fertility			
APPROVED: MAY/1994		COUNTRY/ORGANIZATION: USAID/Ecuador	
RESULT NAME: IR B.2 - Expanded access to PHC services			
INDICATOR: IR B.2 - Expanded or improved service delivery points (SDPs) offering MCH services.			
UNIT OF MEASURE: Number of SDPs improved/expanded (cumulative)			ACTUAL
SOURCE: Project reports from MOH, CARE, QA, BASICS and RPM	1995(B)	3	3
INDICATOR DESCRIPTION: Annually (RPM-2)	1996	23	23
COMMENTS: SDPs being assisted are mostly MOH sites, plus a few NGOs. Total number of MOH SDPs from hospitals to tiny health posts is about 1650, with approximately 133 NGO health centers nationwide. While USAID/Ecuador activities cover only 7% of these SDPs, it should be emphasized that the focus of our assistance is on providing models of improved services, rather than national coverage. Note: This indicator will continue under the new Strategic Plan as a measurement of new FP/MCH IR 3.	1997	58	
	1998	93	
	1999	108	
	2000(T)	118	

### Strategic Objective 3 - Strengthening Democracy Results Framework



## 1. SO 3 Performance Analysis

**Summary** - Analysis of the actual versus planned results has been complicated by the redefinition of this Strategic Objective that took place during the first half of FY 1997 in preparation for USAID/Ecuador's new strategic plan for FY 1998-2002. (See discussion in Transition Section below.) Because of this substantive change in the SO statement, intended to sharpen the focus of USAID/Ecuador supported activities, new Intermediate Results and new Indicators are being established. Accordingly, work on collecting information for the old indicators did not proceed as originally anticipated. Nevertheless, the principal accomplishments of activities begun under the old SO 3 statement are recorded below.

In summary, past investments in institutional development for the judicial sector began to show concrete results in 1996/early 1997, despite being a politically eventful year culminating in the election and subsequent removal from office of President Abdala Bucaram. Important new legislation was passed and new legislation introduced. Citizen awareness and support of needed reforms and depoliticization of the judicial system has reached an unprecedented level. Arrangements with new partner NGOs to increase access to justice by women and minority groups were negotiated and got off to a promising start.

### STRATEGIC OBJECTIVE 3: Strengthened sustainable democracy

- **Legal Reforms Advanced** - The Ecuadorian Congress enacted implementing legislation for the Constitutional Rights Ombudsman (Defensor del Pueblo), and the Constitutional Court, including provisions governing the use of summary proceedings for the first time in Ecuador to assure the guarantee of constitutional rights (Amparo). Thus, for the first time since the 1979 transition from military rule, the basic legislation for legal protection of constitutional rights is now in place. Further refinements to the Cassation law were made; one consequence is that the power to hear appeals has now been decentralized to the Superior Courts at the Provincial level. The framework legislation (ley organica) for governing the functioning of the National Judicial Council to oversee the administration of the court system and a new law on arbitration and mediation, both drafted with leadership and substantive inputs from CLD have been introduced to Congress. About 30 percent of CLD's level of effort was dedicated to supporting these and other legal reforms through consensus- building workshops, publications, technical assistance, and actual drafting.

#### COORDINATING UNIT COMES OF AGE

*The growing recognition of ProJusticia's capacities is opening up possibilities for it to support reforms in the judicial system beyond the courts. Already, ProJusticia has obtained a small UNICEF grant for studies and workshops on needed reforms of Ecuador's justice system for minors, which is under the jurisdiction of the Ministry of Social Welfare. ProJusticia maintains close working relationships with NGOs involved in mediation services and will expand its support of NGOs later this year when it begins implementing the fund established by the World Bank for civil society organizations to work in the justice sector. Also, ProJusticia is working with the recently created office of the Constitutional Rights Ombudsman (Defensor del Pueblo), to help define start up needs. On behalf of the newly designated Defensor, ProJusticia will seek donor financing, possibly from the European Community for initial training, organizational development and other support for this important new function.*

*ProJusticia's insulation from undue political influence was demonstrated at the beginning of 1997 when its director and another key officer resigned for personal reasons and were replaced by technically qualified individuals through a transparent competitive process. Clearly, USAID/Ecuador and other donor support for the establishment and operation of this coordinating unit has brought about a technical capacity to identify and support needed changes as well as to help coalesce different sources of political support for modernization of the justice system.*

- **Justice Sector Coordination** - The "bridge" financing provided to the Justice Sector Coordination Unit attached to the Presidency, now known as ProJusticia, has helped put into place a capacity to move ahead with reform initiatives that previously was lacking. ProJusticia has worked closely with the Supreme Court in the negotiation of the \$14.3 million World Bank project to support modernization

of court administration and other activities, including pilot mediation facilities within the judicial function and a fund for grants to civil society organizations to increase their involvement in the development of solutions to problems of the judicial sector. This loan was signed in September 1996, and is already active. In addition, discussions have been resumed with the IDB for an approximately \$4 million grant for development of a judicial training system, further improvements in judicial administration, and the development of implementing legislation. These negotiations had been shelved during the Bucaram administration.

#### **INTERMEDIATE RESULT A: The effective and fair application of the rule of law for all citizens**

- **Number of Unsented Prisoners Reduced** - As a result of the computerized case tracking system developed by CLD and installed in the Supreme Court in late 1994, the courts were able to identify the legal situation of prisoners pending trial or sentencing and to take action to release 1,500 prisoners who had already served more than a maximum sentence or for other legal grounds. In addition, the data based was fundamental to the rapid implementation of an October 1996 law passed in response to severe overcrowding of prisons and reducing by half the sentences of prisoners having demonstrated good conduct. As a result of this law, some 3,000 prisoners have been released. Since 1994 the prison population has been reduced from 11,000 to 7,000. With support from ProJusticia, CLD completed a redesign of the computerized system in 1996 that will permit more detailed information for tracking cases, analysis of caseload performance by judges and expansion of electronic access to the data base by all courts to be provided with computers under a World Bank loan.
- **Public Demand for Court Reform** - During 1996 ProJusticia carried out and began dissemination of a major survey of public opinion about the functioning of the courts. Some 4,000 individuals in eight of Ecuador's 21 Provinces were interviewed, including the general public, users of the courts, judges and other court officials, and lawyers. The results ratified the dissatisfaction and distrust of the court system by all segments interviewed. One of the most telling indicators was that 91 percent of the general public believed that the justice system in Ecuador did not safeguard the interests of the common individual. The dissemination and discussion of the results initially within the judicial system and the legal community raised awareness of the need to make reforms and helped identify some of the specific actions and priority areas. It also served to solidify commitment of judges and other court officials and their aides in favor of the modernization programs to be supported by other donors. The results are now being disseminated to the general public through a workshop for journalists. *Vistazo*, one of the most widely read magazines in Ecuador, has published some of the survey results in an article describing the reforms to be undertaken with donor support. This previously latent public demand for a less corrupt judicial system has erupted into a broad based call from civil society for depolitization of the courts. Consequently, the political reforms now being considered as a result of the country's political crisis of February 1997, will likely include changes in the way Supreme Court Justices are appointed as well as the filling of lower court positions.
- **Judicial Reform Plan on Track** - ProJusticia has clearly established itself as a trusted source of technical expertise for both the executive and the judicial branches. During the year ProJusticia assumed full responsibility for administering USAID/Ecuador grant funds (which were previously managed through CLD) and negotiated a new grant directly with USAID/Ecuador. It held seven workshops throughout Ecuador to discuss the Integrated Justice Sector Reform Plan and the results of its survey of public opinion. It compiled and widely disseminated the first comprehensive directory of the justice system in Ecuador, covering both branches of government. CLD carried out a considerable number of public education and dissemination activities during 1996, including sixteen seminars on a wide variety of justice sector related topics. These combined efforts furthered the understanding of the needed reforms and helped build support for change within the judiciary as well as with the media and the private sector. As a result, a clear consensus about the need for reforms and, more importantly, an understanding of and agreement on the major specific elements of the justice sector action plan, are being laid out and documented. With the priorities now so concretely set and other donor assistance coming on line, ProJusticia has the support needed to move ahead with the

technical aspects of the action plan. Public demand for improvement has been mobilized and the political will to make positive changes appears to be coalescing.

- **Judicial Training and Public Education** - At very little cost to USAID, CLD has achieved an ambitious, multifaceted program of training and education. Its earlier pilot efforts of training judges and court officials in court management skills has evolved into a self-financing program with the participants paying for the costs of training. To date, the training has been carried out for 300 judges and court officials in seven cities and is on-going. (There are approximately 4,400 judges and other court officials in Ecuador.) For the broader legal community, CLD has an active publications program, including a periodic legal bulletin with a wide subscription, a book on Constitutional Law and other materials on oral proceedings, alternative dispute resolution mechanisms, and penal and administrative procedures. CLD has developed one of the best and most up to date law libraries in the country and promotes its availability to law students, lawyers, and other users. For the general public, CLD has designed and has begun to implement a media campaign under the general theme of "Justice as a Daily Practice." The campaign informs the public on: mediation as an alternative method for conflict resolution; the newly enacted resource available to citizens to guarantee constitutional rights through quick summary proceedings (Recurso de Amparo); and the relationship of sound rule of law to economic development and the reduction of corruption. The latter two topics involve proactive citizen participation by petitioning for written communication to CLD demanding that legislation be passed or identifying corrupt practices within the government. CLD negotiated the contribution of the appearances of famous Latin American performers at no cost and the equivalent of \$300,000 in free broadcast time from major local television channels.

#### **THE PROOF IS IN THE PAYMENT**

*When CLD set out to provide training to Ecuadorian judges, it first studied the market by learning what the judges and court officials wanted. It went to courts throughout the country and listened, asked questions, and listened some more. With experienced judicial training experts from Uruguay and Costa Rica, only then was the course content elaborated and a text or manual prepared addressing precisely those needs and weaknesses that had been identified by the potential clients.*

*CLD broke tradition by designing the course to be taken to the field, to the provinces, rather than expecting its clients to come to Quito. With intensive modules of three half days, it also responded to the realities of the time availabilities of its clients.*

*During 1996, several courses were held in different major cities to test the new product. CLD used each event as a learning experience to make improvements. The word on customer satisfaction spread. By January 1997, CLD began offering the courses for a fee sufficient to cover the costs of the manual and the instructor's salary and mobilization. For an audience of sixty, the per client cost was almost \$50. Because (1) the contents respond to felt needs and (2) it is not necessary to take leave or travel to attend, the judges and other court officials have demonstrated willingness to pay the fees from their own pocket.*

- **Alternative Dispute Resolution** - Mediation is being introduced to Ecuador as a formal option within the judicial process as well as an extra-judicial alternative available in the private sector. Within the judicial system, CLD has taken the lead in introducing the concept as a means of reducing case load. Under its pilot efforts, CLD first provided 80 judges with an overview of mediation using instructors trained in Colombia and Argentina. This was followed by more intensive training of 28 volunteer judges to prepare them to test the use of mediation techniques in cases brought before them before resulting to the traditional lengthy judicial process. The year long test, still underway, was jointly planned with the judges. CLD is closely following the process and is providing on-going training and advice. Already, the CLD pilot has demonstrated that: up to 15 percent of the cases can be resolved at the first hearing by using mediation techniques; much more training of the judges will be needed than originally estimated; certain legal norms regarding the judges role and liabilities as mediator need to be defined; and certain infrastructure improvements not previously contemplated would be needed.



- **Extra-judicial Mediation** - Mediation outside the judicial system is being promoted both by CLD as well as a new USAID/Ecuador partner, CIDES. With support from the British Government CLD opened a mediation center in Quito in 1996. More recently, with assistance from the private sector additional centers were opened in Cuenca and Guayaquil. Great Britain also financed the training of a total of 80 professionals in Quito, Guayaquil, and Cuenca in mediation techniques. The CLD centers involve the use of paid mediators and a fee for service. The cooperative agreement signed with CIDES in September 1996 supports its ongoing efforts to introduce community based mediation in Indian communities, poor urban neighborhoods, workers associations, and unions. CIDES uses a participatory approach in working with its clients and in selecting volunteers from the communities to be trained as mediators.
- **Justice Sector Indicators** - In 1996 CLD began work on a new, comprehensive system to monitor the impact of its efforts on strengthening democracy and the rule of law in Ecuador. The design draws on a variety of data sources, including the recent ProJusticia survey as well as CLD's own survey work. With the assistance of an outside jurimetrics expert, CLD has already identified and begun analyzing a set of indicators for measuring the results of expected legal reforms and social changes on the functioning of the justice system. Once in place and operative, CLD will be generating useful annual data for measuring the impact of changes and reforms being made.

#### **INTERMEDIATE RESULT B: More transparent government institutions.**

- **Anti-Corruption training** - The LAC Regional Financial Management Improvement Project (RFMIP II) supported the Mission's efforts to raise awareness and knowledge about modern anti-corruption measures and techniques. In June 1996, RFMIP II carried out in Quito an intensive five day training course on anti-fraud for forty senior auditors, lawyers, and other professionals of the Controller General, the Attorney General, the Supreme Court, and universities. This event was inaugurated by the US Ambassador and other high officials from the GOE with wide coverage given by the press. In early April 1997, USAID/Ecuador sponsored the participation of six Ecuadorian officials to the Eleventh International Conference on Integrated Financial Management Systems for the public sector organized by RFMIP II. This event included training on anti-corruption practices and methods. The Ecuadorian participants consisted of four recent appointees of the new interim Alarcon administration: the General Director of Revenue, the Sub-Secretary of Government and two key advisors to the Minister of Government; as well as two senior career auditors of the Controller General.
- **Civil-Military dialogue** - Since February 1996, the G/DG Democracy Project with American University has sponsored six workshops in Quito and Guayaquil to increase the quality and quantity of civilian expertise and open discourse on civil-military relations. The Catholic Pontifical University of Ecuador (PUCE) served as the principal Ecuadorian counterpart institution. All workshops convened scholars, political and business leaders and members of the Ecuadorian armed forces. A mix of speakers from different sectors and from the US, Latin America, and Ecuador were used. The last event of this series was open to the public, which filled to overflowing the large auditorium of the International Center for Communications Studies for Latin America (CIESPAL). Ample coverage was given by the press and television. Just a few days later in early February, one of the speakers, General Moncayo, became a key figure in the constitutional crisis involving the removal of President Bucaram by Congressional action. His resolve of non-intervention by the military during this political crisis was widely praised by Ecuadorians.

#### **2. SO 3 Proposed Transition Plan**

The political crisis of February 1997 has demonstrated that it is critical to channel the energy and potential of Ecuador's civil society through specific actions aimed at strengthening civil society and supporting the demand for reforms. A strong NGO community can influence needed reforms, forge strategic alliances via networking to influence reforms, and improve civil and political rights. Given the important role of civil society in increasing both political and economic access, SO 3 has been refocused as "Strengthened Civil Society." RP 1 promoting civil and political rights will continue to

strengthen NGOs/CSOs active in these areas, while a new RP 2 will improve the ability of NGOs/CSOs to influence public policies and programs. Planned activities for anti-corruption will be undertaken under a Special Objective over the short-term.

### 3. SO 3 Expected Progress through FY 1999 and Management Actions

As explained in the section on Transition above, for the 1998-02 Strategic Plan Period, the SO statement and the intermediate results statements are being modified. Accordingly, the expected results in FY 1998 and FY 1999 are described below within the context of the revised SO 3 framework as set forth in the new Strategic Plan.

#### STRATEGIC OBJECTIVE 3: Strengthened Civil Society

- **Justice and Democracy Index** - The completion of CLD's justice and democracy indicators will permit the beginning of annual index system to measure impact and change and will help demonstrate linkages between the work of civil society organizations and improvement in the functioning of critical democratic institutions.

##### **CONSTITUTIONAL RIGHTS OMBUDSMAN - GETTING THERE WITH NGOS/CSOS ON A USAID SHOESTRING**

*The passing of the Constitutional amendment in May 1995 incorporating the function of Defensor del Pueblo and the enactment of corresponding implementing legislation (ley organica) in January 1997, were critical advances in the protection of Ecuadorian citizens from harm resulting from unconstitutional acts of the government.*

*Since 1992, CLD has worked with other NGOs to educate lawmakers and other authorities about the importance of incorporating this recourse, which has been traditional in many European countries and since the 1980s a part of the legal system throughout much of Latin America. The theme was made part of conferences and workshops involving speakers from Spain, Puerto Rico, Colombia, and Argentina. CLD added a discussion of the role of a Constitutional Rights Ombudsman Office at very little cost to a program of judicial reform it arranged in Costa Rica for a group of key Ecuadorian decision makers. Additional support was generated through articles on this function in CLD's periodic bulletins. These educational efforts clearly helped pave the way for Congressional acceptance of the Defensor del Pueblo in the package of Constitutional reforms passed by Congress.*

*The recent passing of the framework legislation also involved the combined efforts of civil society organizations. Fundacion Ecuador negotiated with the GOE the use of ESF generated local currency to carry out a five day workshop on Parliamentary Practices for over thirty newly elected legislators in July 1996. As part of this event, Colombia's Defensor del Pueblo provided a useful overview of the role of this new office and the legislative requirements to implement it. Human Rights NGOs such as INREH, CEDHU, and CARDEV published and distributed educational brochures encouraging citizens to write the Congress in support of specific legislation. The Catholic Pontifical University of Quito led an effort to prepare and present a proposed bill to Congress. CLD brought together diverse elements from the Executive and Legislative branches, and the legal community to discuss the different versions of legislation being considered and to reach consensus, resulting in the passing of the framework law. The Defensor del Pueblo was named on April 29, 1997.*

*The USAID/Ecuador investment in this entire process was not large,.....well under \$100,000. The process of enlisting the energies and financial resources of others and in educating the decision-makers takes time. However, as demonstrated by the above example, positive results can be expected from strategic alliances and coalitions of NGOs. With practice, more effective alliances will be formed more rapidly, with corresponding reductions in the time required for bringing about results.*

#### INTERMEDIATE RESULT 1: Strengthened Capacity of NGOs/CSOs active in civil and political rights.

- **New Laws Enacted** - The new penal procedural code, developed and vetted widely among legal experts throughout Ecuador with support from CLD, will be enacted by Congress not later than mid CY 1998. The law on arbitration and mediation led by CLD will be enacted before the end of CY 1997. CLD will also oversee the drafting of a new civil procedures code and a new administrative law, using the same consensus building process. The drafts will be ready for submission to Congress by mid CY 1998.

- **Elimination of Unjust Court Delays** - Electronic access to the updated prisoner data base will be extended to all courts under the computer modernization component of the World Bank loan by the end of CY 1997. Because of the enactment of critical constitutional rights legislation (ombudsman, constitutional court, amparo), and with the information possible as a result of the automatization of case tracking, judges will be under increased pressure to initiate trials and dictate sentences more promptly. It is estimated that by the end of CY 1998, there will be essentially no prisoners in the system that have served more than the legal norms established for initiation of trial or sentencing.
- **Mediation as a Judicial Process** - By mid CY 1997, CLD will complete analysis of its pilot experience in training judges on mediation methodology and practices. This information, together with the expertise developed by CLD, will be used by the World Bank to help design the component of its loan that will continue working on the incorporation of mediation as part of the judicial process.
- **Increased Access to Justice for Indigenous Groups** - CIDES will greatly expand its service base through the provision of mediation services and the establishment of fully functional legal clinics in Tena and Otavalo in conjunction with two Indian Federations that collectively serve an estimated population of 63,000. Additionally, community based mediation services will begin with CIDES's support in a third Indian federation representing an estimated population of 20,000.
- **Protection and Redress for Violence Against Women** - CEPAM, the lead NGO supported by USAID, in providing legal and other services for battered women, will have increased its capacity to manage programs and assist other NGOs as the result of completing implementation of a new accounting system and other operational manuals by mid FY 1998. NGOs in five cities, together with local women comisarias, will have improved capacity to provide better quality services to an increased number of clients as a result of training and support for legal services, physical investments to improve comisarias, and public education through local radio programs.
- **Extra-Judicial Mediation** - The expected enactment by mid CY 1997 of pending legislation on Arbitration and Mediation promoted by CLD and CIDES will greatly expand interest in use of mediation options to dispute resolution and stimulate the availability of mediation services in both the not-for-profit organizations and NGOs as well as by for-profit entities. Demand for CLD's mediation services will also increase as a result of its public education campaign. CLD will be able to draw on the mediators it trained with British assistance to increase significantly the mediation services provided by its centers in Quito, Guayaquil, and Cuenca. At the same time, CIDES will train eighteen members of a labor union; and twelve social workers who work with child care centers will begin using mediation techniques for conflict resolution in FY 1998. Also, by the end of CY 1998, the NGOs involved in providing mediation services will produce a directory, thereby providing an organizational basis for an informal network to share information and facilitate access to mediation services by the general public.
- **Judicial Procedures Guide** - ProJusticia will complete the preparation, publication, and distribution of a guide or manual (Vademecum Procesal) during CY 1997. This compilation of the principal court procedural norms will be useful for judges, court officials, and lawyers and will serve as a planning document for the design of computer support systems being financed by other donors. The information will also make court procedures more transparent and understandable for all other users, thereby providing an effective tool for NGOs/CSO working on human rights and protection of children.
- **Advances by CLD in Achieving Self-sustainability** - CLD will continue to broaden its base of support from domestic sources as well as other donors in FY 1998. The agreements signed in 1996 with universities in Quito, Guayaquil, Cuenca, Loja, and Ambato will provide bases for logistic support for CLD to increase its "presence" and ability to mobilize participation of experts at very low cost in 1997. Also, CLD plans to make special efforts with the local private business community in 1997 to increase its domestic financial support. Four external donors have already provided small grants to CLD; in 1997/98 financial support will be mobilized from at least two more donors.

**INTERMEDIATE RESULT 2: Improved ability of NGOs/CSOs to influence public policies and programs.**

- **Improved Application of Telecommunications Technologies** - By the end of FY 1999, at least ten Ecuadorian NGOs will have completed and begun implementing plans to use modern telecommunications technologies to improve their operational effectiveness. This accomplishment will reflect the expected start up in Ecuador of a technical assistance service to NGOs to be provided through a planned FY 1998 buy-in to the centrally managed Learn Links program.
- **Education Policy Reform** - By the end of CY 1998 it is expected that a coalition of NGOs/CSOs working on education policy reform will have reached consensus on key issues that would lead to education sector reform.
- **NGO Directory** - By the end of FY 1999, qualitative indicators for rating NGOs will have been identified, a broad based consensus on their applicability reached, and an initial directory of leading NGOs applying such qualitative measures will be prepared.
- **Incentive Fund** - The design of an incentive fund to encourage improved strategic alliances among NGOs for achieving policy reforms and better programs will be completed in 1998 and tested on a pilot basis in 1999. The fund would be open to competition and would award grants to NGOs with innovative proposals in areas of special interest to USAID, including basic education.

**MANAGEMENT ACTIONS** - The existing Rule of Law/Democratic Support Results Package will be amended to include the design of CSO/NGO support activities.

#### 4. SO 3 Performance Data Tables

OBJECTIVE: Strategic Objective - Strengthened sustainable democracy		COUNTRY/ORGANIZATION: USAID/Ecuador	
APPROVED: May 1996			
RESULT NAME: Strategic Objective SO 3			
INDICATOR: SO 3 - Freedom House Survey for Civil Liberties			
UNIT OF MEASURE: Freedom House Ranking	YEAR	PLANNED	ACTUAL
SOURCE:	1995(B)	-	3
INDICATOR DESCRIPTION: Annually (SOTL)	1996	3	3
COMMENTS:The Civil Liberties checklist includes thirteen items of which only two apply directly to the planned interventions: 1. "Are citizens equal under the law, with access to an independent, nondiscriminatory judiciary, and are they respected by the security forces?" and 2. "Is there freedom from extreme government indifference and corruption?" However, Ecuador rates fairly well in the majority of the other items; therefor any change in these two would significantly impact the overall ranking. Note: This indicator will <u>not</u> be continued during the new Strategic Plan period.	1997	3	
	1998	3	
	1999	3	
	2000	3	
	2001(T)	2	

<b>OBJECTIVE:</b> Strategic Objective 3 - Strengthened sustainable democracy		<b>COUNTRY/ORGANIZATION:</b> USAID/Ecuador	
<b>APPROVED:</b> May 1996			
<b>RESULT NAME:</b> IR A - The effective and fair application of the rule of law for all citizens			
<b>INDICATOR:</b> A (a) - An increased level of confidence in the judicial system by three key groups of customers (judges and court workers, lawyers and other users of the system, and the general public)			
<b>UNIT OF MEASURE:</b> Descriptive <b>SOURCE:</b> Special surveys involving members of customer groups. Analyses of electoral campaigns and special voting events. Analyses of data obtained through annual Focus Group events <b>INDICATOR DESCRIPTION:</b> Annually (SOTL) <b>COMMENTS:</b> A national survey carried out by ProJusticia in late 1996 covered three groups: judges and court workers; lawyers and other users of the system; and the general public. The level of confidence for all three groups was extremely low. 62% of judges and court workers considered that the justice system did not respond to the needs of the population and 90% considered that there was undue interference in the judicial process. 62% of the users of the court system stated they had knowledge that judges had been influenced by money or other means. 91% of the general public considered that judicial system did not protect the interest of the common man. Note: This indicator will <u>not</u> be continued during the new Strategic Plan period.	<b>YEAR</b>	<b>PLANNED</b>	<b>ACTUAL</b>
	1996(B)	--	See comment
	1997	--	
	1998	--	
	1999	--	
	2000	--	
	2001	--	
	2002(T)	--	

<b>OBJECTIVE:</b> Strategic Objective 3 - Strengthened sustainable democracy <b>APPROVED:</b> May 1996			
<b>COUNTRY/ORGANIZATION:</b> USAID/Ecuador			
<b>RESULT NAME:</b> IR A - The effective and fair application of the rule of law for all citizens			
<b>INDICATOR:</b> IR A (b) - Reduction in pre-trial detention time			
<b>UNIT OF MEASURE:</b> Number of months <b>SOURCE:</b> CLD review of court records <b>INDICATOR DESCRIPTION:</b> Annually (RPM-1)  <b>COMMENTS:</b> The number of prisoners detained without trial or sentencing has been reduced by 1,500 (approximately 15% of 1994 level of prison population). As a result of new legislation protecting constitutional rights passed in early 1997 and the improvement and extension of the automated data base on prisoners, it is estimated that by the end of CY 1998 there will be no prisoners awaiting trial or sentencing beyond the norms prescribed by legislation. Note: This indicator will <u>not</u> be continued during the new Strategic Plan period at the IR level, although the Mission will continue to track this concern.	<b>YEAR</b>	<b>PLANNED</b>	<b>ACTUAL</b>
	1996(B)	--	See comment
	1997	--	
	1998	--	
	1999	--	
	2000	--	
	2001	--	
	2002(T)	--	

<b>OBJECTIVE:</b> Strategic Objective 3 - Strengthened sustainable democracy <b>APPROVED:</b> May 1996			
<b>COUNTRY/ORGANIZATION:</b> USAID/Ecuador			
<b>RESULT NAME:</b> IR A.1 - Strengthened constituencies and coalitions promoting needed reforms			
<b>INDICATOR:</b> A.1 - An enhanced perception of the need for judicial reform by the general public.			
<b>UNIT OF MEASURE:</b> Descriptive <b>SOURCE:</b> Special surveys involving members of customer groups. Analyses of data obtained through annual Focus Group events. <b>INDICATOR DESCRIPTION:</b> Annually (SOTL) <b>COMMENTS:</b> Due in part to past efforts of CLD and ProJusticia and in part to media coverage of high profile cases, the general public's perception of the need for judicial reform has reached sufficient levels. According to a national survey carried out by ProJusticia in late 1996, 61% of the general public consider that judges are influenced by political or economic pressure. A plebiscite scheduled for May 1997, include two questions regarding reform of the judicial system. Note: This indicator will <u>not</u> be continued during the new Strategic Plan period.	<b>YEAR</b>	<b>PLANNED</b>	<b>ACTUAL</b>
	1996(B)	--	See comment
	1997	--	
	1998	--	
	1999	--	
	2000	--	
	2001	--	
	2002(T)	--	

<b>OBJECTIVE:</b> Strategic Objective 3 - Strengthened sustainable democracy <b>APPROVED:</b> May 1996			
<b>COUNTRY/ORGANIZATION:</b> USAID/Ecuador			
<b>RESULT NAME:</b> IR A.2 - Improved efficacy of selected laws			
<b>INDICATOR:</b> A.2 - Reduction in average case-processing time.			
<b>UNIT OF MEASURE:</b> Number of months <b>SOURCE:</b> CLD review of court records <b>INDICATOR DESCRIPTION:</b> Annually (RPM-1) <b>COMMENTS:</b> The number of prisoners detained without trial or sentencing has been reduced by 1,500 (approximately 15% of 1994 level of prison population). As a result of new legislation protecting constitutional rights passed in early 1997 and the improvement and extension of the automated data base on prisoners, it is estimated that by the end of CY 1998 there will be no prisoners awaiting trial or sentencing beyond the norms prescribed by legislation. Note: This indicator will <u>not</u> be continued during the new Strategic Plan period at the IR level.	<b>YEAR</b>	<b>PLANNED</b>	<b>ACTUAL</b>
	1996(B)	--	See comment
	1997(T)	--	

<b>OBJECTIVE:</b> Strategic Objective 3 - Strengthened sustainable democracy <b>APPROVED:</b> May 1996			
<b>COUNTRY/ORGANIZATION:</b> USAID/Ecuador			
<b>RESULT NAME:</b> IR A.3 - Increased access to the justice system and other conflict resolution mechanisms			
<b>INDICATOR:</b> A.3(a) - Number of disadvantaged persons assisted by selected NGOs in accessing judicial legal services at selected sites.			
<b>UNIT OF MEASURE:</b> Number of people <b>SOURCE:</b> CEPAM progress reports <b>INDICATOR DESCRIPTION:</b> Semi-annually (RPM-1) <b>COMMENTS:</b>	<b>YEAR</b>	<b>PLANNED</b>	<b>ACTUAL</b>
	1996(B)	--	25,600
	1997	26,750	
	1998	28,900	
	1999	30,000	
	2000(T)	33,000	

<b>OBJECTIVE:</b> Strategic Objective 3 - Strengthened sustainable democracy					<b>COUNTRY/ORGANIZATION:</b> USAID/Ecuador		
<b>APPROVED:</b> May 1996							
<b>RESULT NAME:</b> IR A.3 - Increased access to the justice system and other conflict resolution mechanisms							
<b>INDICATOR:</b> A.3(b)- Number of disadvantaged persons assisted by selected NGO in accessing extrajudicial legal services at selected sites.							
<b>UNIT OF MEASURE:</b> Number of cases					<b>YEAR</b>	<b>PLANNED</b>	<b>ACTUAL</b>
<b>SOURCE:</b> CIDES progress reports							
<b>INDICATOR DESCRIPTION:</b> Semi-annually (RPM-1)							
<b>COMMENTS:</b>							
<b>YEAR</b>	<b>A</b>	<b>B</b>	<b>C</b>	<b>TOTAL</b>	1996(B)	--	4
1996	4	0	0	4	1997	166	
1997	76	36	54	166			
1998	108	60	96	264			
1999	130	72	138	340			
2000	150	85	125	360			
TYPE A - FAMILY MEDIATION: The beneficiaries are expected to range from 4 to 8 persons per case.					1998	264	
TYPE B - SECTORIAL MEDIATION: The beneficiaries are expected to range from 3 to 6 persons per case.					1999	340	
TYPE C - COMMUNITY MEDIATION: The beneficiaries are expected to range from 10 to 1,000 persons per case.					2000(T)	360	

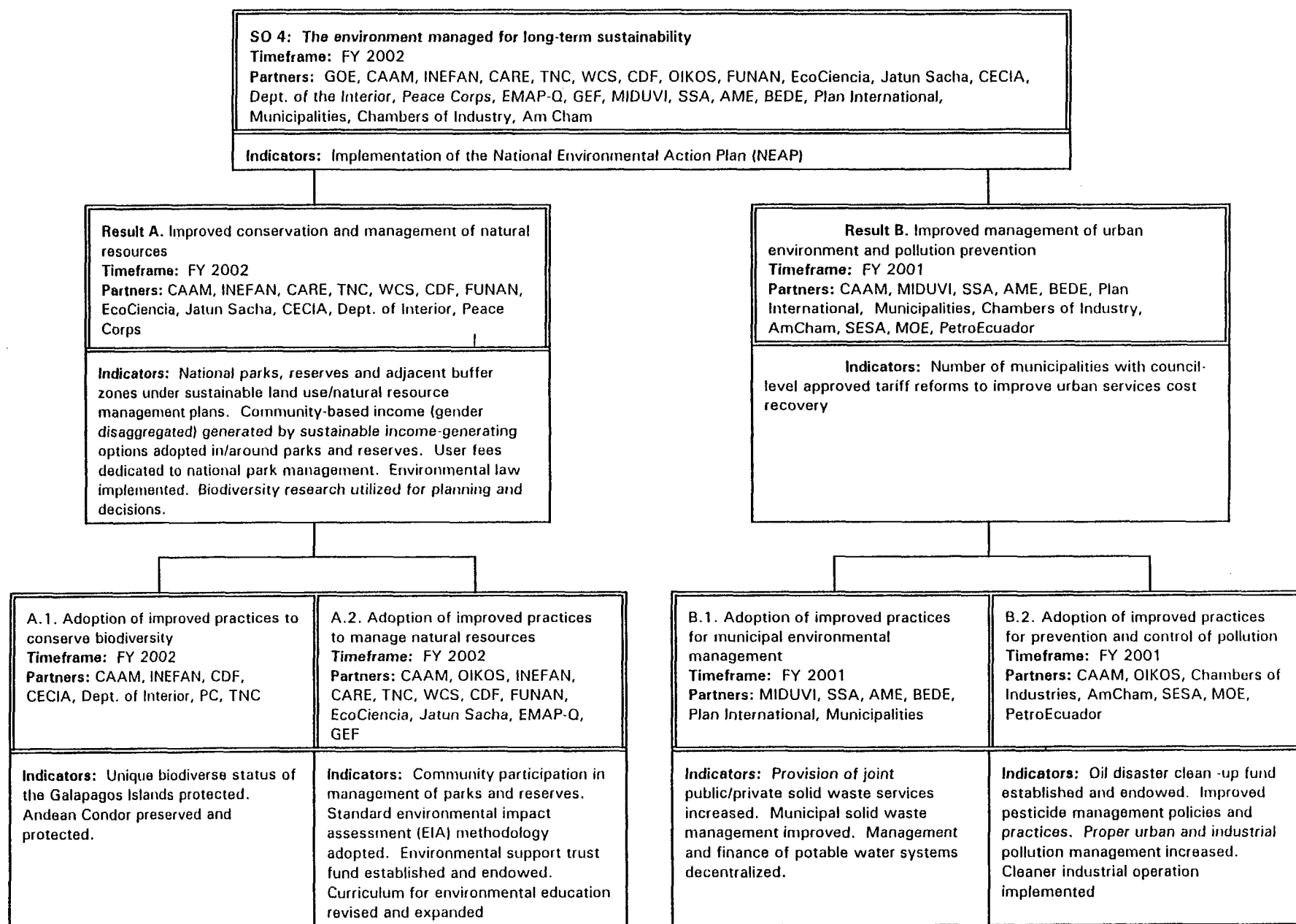
IR A.4 : N/A - See Results Framework. Strengthening of legal system institutions is largely dependent on World Bank and IDB assistance.
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OBJECTIVE: Strategic Objective 3 - Strengthened sustainable democracy APPROVED: May 1996		COUNTRY/ORGANIZATION: USAID/Ecuador	
RESULT NAME: IR B - More transparent government institutions.			
INDICATOR: B - Increased public awareness on the use of public resources.			
UNIT OF MEASURE: Descriptive SOURCE: Special surveys involving members of customer groups. Analyses of data obtained through annual Focus Group events. INDICATOR DESCRIPTION: Annually (SOTL) COMMENTS: Because of the lack of governmental support during the Bucaram administration, these activities were not initiated as planned during FY 1996. Note: This indicator will <u>not</u> be continued during the new Strategic Plan period at the SO level.	YEAR	PLANNED	ACTUAL
	1996(B)	--	--
	1997	--	
	1998(T)	--	



<b>OBJECTIVE:</b> Strategic Objective 3 - Strengthened sustainable democracy		<b>COUNTRY/ORGANIZATION:</b> USAID/Ecuador	
<b>APPROVED:</b> May 1996			
<b>RESULT NAME:</b> IR B.1 - Strengthened capacity to combat government corruption.			
<b>INDICATOR:</b> B.1 - A Unit within the GOE's OCG with adequately trained staff to effectively detect and take actions to deter corruption practices.			
<b>UNIT OF MEASURE:</b> Number of staff trained. <b>SOURCE:</b> OCG records. <b>INDICATOR DESCRIPTION:</b> Semi-annually (RPM-2) <b>COMMENTS:</b> Because of the lack of governmental support during the Bucaram administration, additional planning for this activity was not undertaken as planned during FY 1996. Note: This indicator will <u>not</u> be continued during the new Strategic Plan period at the IR level.	<b>YEAR</b>	<b>PLANNED</b>	<b>ACTUAL</b>
	1996(B)	40	46
	1997		
	1998(T)		

## Strategic Objective 4 - Environmental Management Results Framework



## 1. SO 4 Performance Analysis

**Summary** - Performance towards this SO was good. Of the eighteen indicators, eleven were met or exceeded, while the other seven were partially achieved, as explained below. Of particular significance is the development of the national legal framework which enables the demarcation of community lands. As a results, legal title has been granted to one small community in the buffer zone of the RECC, which is now serving as the precedent for other communities. Progress has been made in the drafting of a new law for the Galapagos Islands.

### STRATEGIC OBJECTIVE 4: The environment managed for long term sustainability.

- **National Environmental Action Plan (NEAP)** - The USAID/Ecuador-funded Presidential Environmental Advisory Commission continued providing leadership for the completion of Ecuador's first environmental Action Plan. However, being an election year its activities were limited mainly by circumstances surrounding all political endeavors in such periods. This problem was compounded by the designation of a very inefficient manager during the first three months of the new government and then the creation of the Ministry of the Environment, whereby the government relegated the CAAM to a lower decision level. Even within this limited action, the CAAM continued supporting the adoption of selected NEAP policies in the areas of roads and transportation, environmental impact assessments, mining, etc. However, other policy related indicators were affected and planned results for this year were partially achieved, like the Environmental Law, National Environmental Fund, Oil clean-up fund and the Integrated Pesticide Management policies.

### INTERMEDIATE RESULT A: Improved Conservation and Management of Natural Resources

USAID/Ecuador activities under this Intermediate Result are undertaken in and around the following national parks and ecological reserves in Ecuador: Cotacachi-Cayapas Ecological Reserve (RECC), Cayambe-Coca Ecological Reserve (RECA), Galapagos Marine Reserve (GMR), Galapagos National Park (GNP). In addition the centrally funded SANREM/CRSP is undertaking research, Parks in Peril (PIP) is active in Machalilla National Park and Podocarpus National Park, and the Partnership for Biodiversity is active at a number of condor sites in the high Andes (i.e., five reserves which include the RECC and the RECA).

- **RECC** - Over twenty-five community organizations have received **legal recognition** of their organizations with assistance from the paralegals trained under the project. The national **legal framework** for titling of community lands has been developed. **Demarcation** of community lands has been completed, resulting in the granting of legal title to one small community (Playa de Oro) in the buffer zone of the RECC. This is serving as the precedent for other communities, and eight are now following the same process: forest inventories, environmental impact studies, demarcation, and sustainable forest management plans. **Ecotourism** managed by the community in Playa de Oro and San Miguel is generating sustainable community-based income which benefits about twenty families. Sustainable forest **management trials** in Playa de Oro produced 200 m3 of wood which obtained nearly twice the actual market price. A plant for the processing of **sisal pulp** has been built and contacts have already been established with potential buyers in the US and Colombia.
- **RECA** - Sustainable **community-based income** is being generated by two cheese making operations, one in Cuyuja operated by women and another in Linares, both in process of expansion. The communities of Papallacta and Oyacachi are participating in the development of the reserve **management plan** with FUNAN, FER and INEFAN. Five community organizations in RECA have received **legal recognition** of their organizations with assistance from the paralegals trained under the project. Ten agreements between INEFAN and local communities have been signed to protect the RECA with community park guards operating under INEFAN's supervision and overall responsibility.
- **Galapagos Islands** - USAID/Ecuador has been supporting the new **draft legislation** for the "Special Law for Galapagos," to be presented to Congress shortly. **Community relations** between

scientists at Darwin Research Station and the local fishermen have improved so that they are jointly discussing and trying to resolve issues, and developing regulation for marine reserve management. The scientific basis for management of the marine reserve has been developed through research and monitoring of biological diversity.

- **PIP** - TNC has prepared the management plan for Podocarpus National Park and will help in the development of the plan for Machalilla National Park. The local inhabitants have been partially integrated into management of parks. PIP has conducted research in Machalilla National Park in the following areas: marine turtle monitoring studies for inventories, species occurrence, nest site, potential turtle nesting beaches. Reef Assessment studies are helping to establish species identification as well as use level and pollution sensibility of selected reef species to contamination. Three community groups in the Machalilla National Park (two of them managed by women) generated sustainable community-based income through bee-keeping, organic gardening, and poultry production.

#### *Local Talent*

*People tend to protect only what they value, including the habitats and the biodiversity they harbor. Enhancing the social and economic value of these resources will thus promote their sustainable use and protection. As a result of CARE interventions, the GOE recently granted legal title to the small community of Playa de Oro, thus bringing 10,500 hectares of the Cotacachi-Cayapas Ecological Reserve buffer zone under local community management. In addition to securing the much-needed stabilization of land-use practices in the area, the GOE decision now allows long-term, community-based, sustainable resource management practices. This includes community enterprises such as certified minimum-impact timber harvesting, which will be legally and effectively implemented in a substantial section of the buffer zone between large-scale timber extraction and the border of the Cotacachi-Cayapas Ecological Reserve.*

*The recognition of Playa de Oro represents the culmination of an integrated effort among politicians, scientists and community members, as well as the resolution of long-standing institutional and local rivalries. In order for the title to be granted, legislation had to be enacted and adopted to determine the national authority responsible for land titling in fragile buffer zone lands. Simultaneously, traditional boundary disputes had to be resolved amicably between the people of Playa de Oro and other local communities. Global Positioning System (GPS) technology, also provided by the EcoCiencia Foundation with USAID/Ecuador support through CARE, was then used to formally draw community and Reserve boundary lines. Finally, with assistance from Wildlife Conservation Society and the Jatun Sacha Foundation, an Ecuadorian NGO partner, the community developed a natural resources management plan for the area, including strict zoning provisions for ecotourism development, certified minimum-impact timber harvesting, ecological research, and small-scale sustainable agriculture.*

*Since 1991, CARE and its partners have trained over sixty community-based paralegals and parabiologists to guide local communities in the sustainable management of biological resources. Drawing on their knowledge and experience, many communities are now in a position to take advantage of incentives for conservation: profitable community forestry initiatives, ecotourism, non-wood paper and pulp production, and others. With harvesting plans approved by the GOE, for instance, communities can now reap profits over 60 percent higher than those made under traditional forestry schemes.*

- **Andean Condor Sites** - CECIA has established the Andean Condor monitoring network in Cotacachi-Cayapas, Cayambe-Coca, Antisana, and El Angel natural reserves. Thirty three condor sites for roosting, nesting and feeding have been identified. The environmental education and ecotourism plan have been developed.
- **Biodiversity Research** - Throughout the year, EcoCiencia Foundation researchers in cooperation with SANREM/CRSP and eighteen community parabiologists, gathered data for applied research at the community level. Global Positioning System (GPS), Geographic Information System (GIS), and aerial photography were also used by EcoCiencia to measure changes in local and regional biodiversity in the Cotacachi-Cayapas Ecological Reserve and in Yasuní National Park.

#### **INTERMEDIATE RESULT B: Improved Management of Urban Environment and Pollution Prevention**

- **Pollution Prevention/Mitigation** - Environmental audits undertaken by Oikos Corporation at different levels benefited additional industries. Through an agreement with the Pichincha Association of Textile Industries, Oikos Corporation organized a series of workshops for more than twenty-two

textile companies to identify environmentally safe and energy efficient technologies to prevent and/or reduce pollution. More than fifteen of these firms have already identified ways to reduce their costs while preventing pollution. A similar program has started with the association of tanneries, including fifteen leather production firms.

- **Municipal Solid Waste Management** - After the successful implementation of the model in the city of Machala, through a Cooperative Agreement with the Cooperative Housing Foundation (CHF), demonstration models of environmental garbage collection are being implemented. In addition, garbage collection microenterprises were created in the cities of Manta and Portoviejo.
- **Municipal Services** - With the assistance of EP3, water treatment systems were installed in the La América and Monteoscurro communities and in Manta's Hospital, all in coastal areas. These demonstration projects will contribute to the reduction of diseases such as cholera and hepatitis, common in the area due to the use of unsafe water. Lack of funding has prevented further developments related to this result package.
- **Environmental Education Curriculum** - Oikos Corporation has revised the curriculum within the framework of the Educational Reform proposed by the GOE, and has developed a special program for vocational schools, i.e., oriented to specific areas like mechanics and agriculture. Oikos has been working with ten vocational schools and trained more than twenty of their teachers. In addition, Oikos is supporting the Centros Educativos Matrices program (part of a World Bank sponsored education reform program) by providing assistance and training to teachers of those centers and by producing teaching materials.

## **2. SO 4 Proposed Transition Plan**

Because of its many unique and globally significant ecosystems and species, Ecuador is a key biodiversity country. Given the limited USAID/Ecuador resources juxtaposed with the opportunity that USAID/Ecuador has to make a lasting impact in conserving such biodiversity for future generations, USAID/Ecuador will refocus its resources and staff efforts towards the achievement of a redefined Strategic Objective (renumbered as SO 1) "Conserve biodiversity in selected protected areas." A thorough Mission review of the SO 4 Framework and results, in consultation with several working groups who visited USAID/Ecuador in the last six months, led to this refocusing based on those results previously found under RP 1 "Biodiversity" and RP 2 "Resource Management." Other important activities previously found under RP 3 "Municipal Environmental Management" and RP 4 "Pollution Prevention" are being spun off into a short-term Special Objective for "Pollution Prevention" in order to complete the last steps needed to ensure sustainability of USAID/Ecuador's previous investment in these sectors.

At this point USAID/Ecuador is not planning to channel additional DA funds to CAAM in support of environmental policy matters. USAID/Ecuador will maintain a constant policy dialogue with CAAM regarding matters in which CAAM can play a role to protect Ecuador's biodiversity and will support the use of ESF local currency for this purpose.

## **3. SO 4 Expected Progress through FY 1999 and Management Actions**

The expected results identified below should be viewed from the context of the revised SO 4 (to be renumbered SO 1) Results Framework presented in the new Strategic Plan.

### **STRATEGIC OBJECTIVE: Conserve Biodiversity in Selected Protected Areas.**

The SO will continue building on the positive results obtained during phases I and II of the SUBIR Project. The new programmed activities will capitalize on the cadre of already trained and well experienced personnel and the existing capabilities of US and local NGO partners. Future work will replicate and expand on activities such as land tenancy and sustainable natural resource management

plans that can be implemented by communities and organizations while building their capabilities and financial sustainability.

#### **INTERMEDIATE RESULT 1: Strengthened capacity of NGOs/CSOs active in biodiversity conservation**

- **Research** - Mission resources will continue to increase the quantity, quality and widespread access to biodiversity research findings, and by 1999, its increased utilization in decision making. The required baseline information to measure and monitor biodiversity changes, principally in the target areas of the RECC and the RECA, as well as the progress towards the Intermediate Results and the Strategic Objective, is being compiled by the implementing partners. The data will be maintained by each of them and will be updated periodically to assure timeliness and relevance towards the accomplishment of the SO. Applied research to be used as the basis for the management of the terrestrial and marine ecosystems of GMR/GNP will be continued.
- **Advocacy** - The new Galapagos Legislation will be approved by Congress and allow the Galapagos to reinvest approximately \$4 million per year of visitor's park fees into the management/conservation of the GMR and the GNP, as well as the municipal needs of the archipelago.
- **Partner-Community Relationships** - Activities to strengthen the local institutions, including the Charles Darwin Research Station and municipal government in Galapagos, will continue. Special attention will be paid to conflict resolution/mediation among the parties interested in the use of Galapagos' natural resources, including the local population, the tourism operators, and INEFAN.

#### **INTERMEDIATE RESULT 2: Natural resource management plans under implementation in and around the protected areas.**

- **RECC** - Future work will replicate and expand on current activities. CARE and Ecuadorian partner NGOs Ecociencia, Jatun Sacha and CEDENMA will carry out the types of activities being currently developed and tested in and around protected areas in additional communities. Steps to obtain **legal title** for communities in the RECC buffer zone will continue. The completion and implementation of protected area/natural resources **management plans** in the RECC will continue. This will be complemented by the training and employment of professionals, and community paratechnicians, working in conservation activities. Key activities will include **land demarcation** and **titling**, guidelines for the sustainable extraction of forest resources, and innovative **forest management**. Two additional Afro-Ecuadorian **community organizations** will be established, which will then form the basis for an Afro-Ecuadorian Confederation. CARE will continue to promote other donor involvement, and depending on the availability of resources, will initiate work to replicate some biodiversity conservation activities pioneered in the RECC in the Huaorani ancestral lands within the Yasuni National Park, comprising 610,000 hectares of Amazonian native forest.
- **RECA** - The Nature Conservancy and Ecuadorian partner NGOs Fundacion Antisana and Fundacion Ecologica Rumicocha will continue to work towards the establishment of an **endowment** with its corresponding board of directors and clear criteria for the use of water-user fees to be used for the management and protection of the RECA. Included in these activities would be the initiation of productive activities for communities in the RECA who now have serious limitations on the use of their ancestral lands. The completion and implementation of protected area/natural resource **management plans** in the RECA will continue. Other key activities will include the development of **income-producing ventures** and the replication of activities in the Antisana Ecological Reserve.
- **Galapagos Islands** - Applied research as the basis for the **management** of the terrestrial and marine ecosystems will be continued. Continued support for environmental education and communication programs for the inhabitants of Galapagos will be provided.

- **Parks in Peril** - TNC, with local partners Fundacion Natura and Fundacion Arco Iris, will identify a permanent **source of financing** for management of Podocarpus National Park and Machalilla National Park; and train individuals to administer the parks.
- **Condor Sites** - Activities through the Ecuadorian NGO CECIA in collaboration with the US Department of the Interior and Peace Corps, which deals with initiatives to protect the Andean Condor, an **endangered species**, will continue.

**SPECIAL OBJECTIVE: Improved sustainable capacity of selected public and private institutions to prevent/control pollution**

USAID/Ecuador will continue to work with selected private and public institutions (mainly Oikos Corporation, selected municipalities and environmental NGOs) to ensure their sustainable capacity to prevent/control pollution.

- **Cleaner Industries** - Oikos Corporation will continue working with various chambers of industries to improve production techniques while reducing pollution and reducing costs.
- **Solid Waste Management** - Follow-on assistance to municipalities in the adoption of improved solid waste management practices will be continued with RUDO/Quito assistance.

**MANAGEMENT ACTIONS** - A new Environment Support Results Package, focusing on biodiversity conservation, will be designed with activities running through FY 2003. It is expected that these activities will build on the successes of the current SUBIR project, which will be coming to completion during FY 1998.

#### 4. SO 4 Performance Data Tables

<b>OBJECTIVE:</b> Strategic Objective 4 - The environment managed for long-term sustainability.			
<b>APPROVED:</b> MAY/1994		<b>COUNTRY/ORGANIZATION:</b> USAID/Ecuador	
<b>RESULT NAME:</b> Strategic Objective			
<b>INDICATOR:</b> SO 4 - Implementation of the National Environmental Action Plan (NEAP)			
<b>UNIT OF MEASURE:</b> Status of plan; it's degree of implementation: (a) Completion refers to preparation of final version; (b) Approval refers to the acceptance of the NEAP by the community through the support of the National Environmental Congress; (c) Publication refers to official GOE publication; (d) Implementation refers to action by GOE entities, environmental NGOs, other civilian authorities and citizens upon NEAP recommendations. Five specific elements of the plan are supported by USAID/Ecuador (see Comments). <b>SOURCE:</b> CAAM, UNAMA (CONADE), Cognizant national and local GOE entities and Environmental NGOs. Monitoring Surveys established by CAAM among cognizant local and national GOE entities and Environmental NGOs <b>INDICATOR DESCRIPTION:</b> Annually (SOTL) <b>COMMENTS:</b> As explained in the narrative several problems arouse during the reporting period; however the CAAM continued preparing strategies in different areas and additionally submitted twice the draft Standard system for Environmental Impact Assessments and continued the training program on Integrated Pest Management, among other activities. Note: The SO indicator will be revised during the new Strategic Plan period in line with the refocusing of the Biodiversity SO .	<b>YEAR</b>	<b>PLANNED</b>	<b>ACTUAL</b>
	1993(B)	Draft	Drafted
	1994	Completion	Completed
	1995	Approval and Publication	Approved & published
	1996	10 % Impl.	10% Impl.
	1997	20 % Impl.	
	1998	40 % Impl.	
	1999	60 % Impl.	
	2000	80 % Impl.	
	2001(T)	90 % Impl.	

<b>OBJECTIVE:</b> Strategic Objective 1 - Conserve biodiversity in selected protected areas.				
<b>APPROVED:</b> JULY/1997		<b>COUNTRY/ORGANIZATION:</b> USAID/Ecuador		
<b>RESULT NAME:</b> IR A - Improved conservation and management of natural resources.				
<b>INDICATOR:</b> A (a) - National parks, reserves, and adjacent buffer zones under sustainable land use/natural resource management plans.				
<b>UNIT OF MEASURE:</b> UNIT:Hectares/thousands (cumulative) covered by approved plans.		<b>YEAR</b>	<b>PLANNED</b>	<b>ACTUAL</b>
—		1996(B)	70	152
<b>SOURCE:</b> INEFAN, CARE, TNC		1997	626	
<b>INDICATOR DESCRIPTION:</b> Annually (SOTL)		1998	862	
<b>COMMENTS:</b> Area for RECC region includes buffer zone and some portion of the Reserve. Effectiveness of management plans refers to standards adopted by PIP and ITTO. Unit measurement purposively aggregates across kinds of areas and types of plans		1999	892	
		2000	1252	
		2001	1312	
		2002	1372	
		2003(T)	1402	
<b>Note:</b> This indicator will be continued during the new Strategic Plan period.				

Note: This indicator will be continued during the new Strategic Plan period.



<b>OBJECTIVE:</b> Strategic Objective 4 - The environment managed for long-term sustainability.					
<b>APPROVED:</b> MAY/1994			<b>COUNTRY/ORGANIZATION:</b> USAID/Ecuador		
<b>RESULT NAME:</b> IR A - Improved conservation and management of natural resources.					
<b>INDICATOR:</b> A (b) - Community-based income (gender disaggregated) generated by sustainable income-generating options adopted in/around selected protected areas					
<b>UNIT OF MEASURE:</b> \$000 (cumulative). Unit measurement purposively aggregates across options and locations <b>SOURCE:</b> INEFAN, CARE, TNC, CDF, NGOs Partners' progress reports - Matrix updating <b>INDICATOR DESCRIPTION:</b> Quarterly (RPM) <b>COMMENTS:</b> Profits generated from income-generating options in RECC belong to the communities, whether in the RECA and Machalilla profits belong to community microentrepreneurs linked to those areas. Profits in 1996 were: RECC \$12,000; RECA \$1,900; and Machalilla \$2,500. Note: This indicator will <u>not</u> continue as a measurement at the IR level during the new Strategic Plan period.	<b>YEAR</b>	<b>PLANNED</b>		<b>ACTUAL</b>	
		<b>M</b>	<b>F</b>	<b>M</b>	<b>F</b>
	1995(B)	--	--	0	0
	1996	5	7	6.5	9.9
	1997	15	18		
	1998	18	22		
	1999	30	35		
	2000	45	55		
	2001(T)	70	85		

<b>OBJECTIVE:</b> Strategic Objective 4 - The environment managed for long-term sustainability.			
<b>APPROVED:</b> MAY/1994		<b>COUNTRY/ORGANIZATION:</b> USAID/Ecuador	
<b>RESULT NAME:</b> IR A - Improved conservation and management of natural resources.			
<b>INDICATOR:</b> A (c) - User fees collected from users of national parks.			
<b>UNIT OF MEASURE:</b> Dollars/millions.	<b>YEAR</b>	<b>PLANNED</b>	<b>ACTUAL</b>
<b>SOURCE:</b> INEFAN, CARE, TNC, CDF, NGOs (INEFAN data)	1995	\$3.0m	\$3.2m
<b>INDICATOR DESCRIPTION:</b> Annually (SOTL)	1996	\$2.0m	\$2.7m
<b>COMMENTS:</b> Only a small fraction of the fees collected were disbursed by MOF to INEFAN for protected area management. Therefore a more relevant indicator would include for measurement of the funds actually disbursed for park management. Note: This indicator will <u>not</u> continue as a measurement at the IR level during the new Strategic Plan period.	1997	\$2.5m	
	1998	\$3.0m	
	1999	\$3.5m	
	2000	\$4.0m	
	2001(T)	\$4.5m	

<b>OBJECTIVE:</b> Strategic Objective 4 - The environment managed for long-term sustainability.			
<b>APPROVED:</b> MAY/1994		<b>COUNTRY/ORGANIZATION:</b> USAID/Ecuador	
<b>RESULT NAME:</b> IR A - Improved conservation and management of natural resources.			
<b>INDICATOR:</b> A (d) - Completion, approval, publication and implementation of Environmental law			
<b>UNIT OF MEASURE:</b> Status of law (a) Drafted, fully negotiated among stake holders, approved by Executive/Congress and published in Official Registry; (b) Regulatory language completed, approved and published; (c) Compliance with law and/or enforcement achieved among increasing percentage of citizenry (cumulative) <b>SOURCE:</b> CAAM, INEFAN, CARE, TNC, OIKOS, NGOs Monitoring surveys prepared by the CAAM; Progress reports compiled by CAAM and other GOE/NGO cognizant entities. <b>INDICATOR DESCRIPTION:</b> Annually (RPM) <b>COMMENTS:</b> The law was drafted and submitted to the President and the Congress but other political priorities prevented its approval and passing. The creation of the Ministry of the Environment requires changes in its structure so the process will restart with the collaboration of CAAM and interested NGOs. Note: This indicator will <u>not</u> continue as a measurement at the IR level during the new Strategic Plan period.	<b>YEAR</b>	<b>PLANNED</b>	<b>ACTUAL</b>
	1995	Draft	Drafted
	1996	Approved	Consensus building
	1997	Regulations published	
	1998	20 % Compl.	
	1999	40 % Compl.	
	2000	60 % Compl.	
	2001(T)	80 % Compl.	

<b>OBJECTIVE:</b> Strategic Objective 4 - The environment managed for long-term sustainability.			
<b>APPROVED:</b> MAY/1994		<b>COUNTRY/ORGANIZATION:</b> USAID/Ecuador	
<b>RESULT NAME:</b> IR A - Improved conservation and management of natural resources.			
<b>INDICATOR:</b> A (e) - Biodiversity research utilized for planning and decisions			
<b>UNIT OF MEASURE:</b> Biodiversity monitoring and research methods, findings and data bases: (a) Designed and implemented; (b) Broadly disseminated among centers, high schools, universities, INEFAN offices, and appropriate local level government offices in/around the RECC, RECAY and Galapagos Marine Reserve; (c) knowledge, attitude, belief and practices (KABP) surveys completed to measure utilization/application. <b>SOURCE:</b> INEFAN, CARE, TNC, CDF, CAAM, CECIA, Birdlife International, NGOs. Reports, Data Base (CARE, EcoCiencia, CECIA) <b>INDICATOR DESCRIPTION:</b> Annually (RPM) <b>COMMENTS:</b> A number of biodiversity research findings have been produced and utilized for planning and decision making among GOE institutions: INEFAN, communities and other NGOs. Data has been utilized for land use planning and legalization, management plans, ecotourism and other income-generating activities. Note: This indicator will be fine-tuned and will continue during the new Strategic Plan period.	Year	Planned	ACTUAL
	1995	Design	In design
	1996	Design	Designed, implemented & disseminated
	1997	Dissemination	
	1998	Utilization	
	1999	Utilization	
	2000	Utilization	

<b>OBJECTIVE:</b> Strategic Objective 4 - The environment managed for long-term sustainability.			
<b>APPROVED:</b> MAY/1994		<b>COUNTRY/ORGANIZATION:</b> USAID/Ecuador	
<b>RESULT NAME:</b> IR A.1 - Adoption of improved practices to conserve biodiversity.			
<b>INDICATOR:</b> A.1 (a) - Biodiversity of the Galapagos Islands protected			
<b>UNIT OF MEASURE:</b> Galapagos Law:(a) Drafted, fully negotiated among stake holders, approved by Congress/Executive and published in Official Registry; (b) Regulatory language completed, approved and published; (c) Compliance with law and/or enforcement achieved among 60 percent of citizenry (cumulative) <b>SOURCE:</b> CDF, CAAM, INGALA, INEFAN, Galapagos Permanent Commission. (a) and (b) Official sources; (c) Focus groups, key informants, rapid appraisals. <b>INDICATOR DESCRIPTION:</b> Annually (RPM) <b>COMMENTS:</b> The 1995 version was vetoed by President Duran-Ballen; the redrafted 1996 version was vetoed by President Abdala Bucaram; the current 1997 version has been presented to President Alarcon. Note: This indicator will <u>not</u> continue as a measurement during the new Strategic Plan period although progress will contribute to a revised indicator.	<b>YEAR</b>	<b>PLANNED</b>	<b>ACTUAL</b>
	1995	Draft	Being drafted
	1996	Published	Being drafted
	1997	Published	
	1998	20 % Compl.	
	1999	40 % Compl.	
	2000	50 % Compl.	
2001(T)	60 % Compl.		

<b>OBJECTIVE:</b> Strategic Objective 4 - The environment managed for long-term sustainability.			
<b>APPROVED:</b> MAY/1994		<b>COUNTRY/ORGANIZATION:</b> USAID/Ecuador	
<b>RESULT NAME:</b> IR A.1 - Adoption of improved practices to conserve biodiversity.			
<b>INDICATOR:</b> A.1 (b) - Andean condor preserved and protected			
<b>UNIT OF MEASURE:</b> Status of: (a) Preservation/protection plans finalized; (b) Adoption of plans; (c) Effective participation of official entities and environmental NGOs and communities in plan's implementation; (d) Percent increase in condor population over base year (1995). <b>SOURCE:</b> INEFAN, CECIA, FUNAN, TNC, Birdlife International Monitoring Reports <b>INDICATOR DESCRIPTION:</b> Annually (RPM) <b>COMMENTS:</b> Monitoring Plan - The main network has being established and it is functioning well, base data are being collected. Environmental Education Plan - It is targeted to communities around reserves which have an impact on the condor and its ecosystems. School teachers and INEFAN staff have been essential part on this effort. Ecotourism Plan - Small community-based, tourist-related income generating activities, consistent with the theme of condor conservation, are being launched to help motivate targeted communities to conserve the condor and its habitat. Note: This indicator will <u>not</u> continue as a measurement at the IR level during the new Strategic Plan period.	<b>YEAR</b>	<b>PLANNED</b>	<b>ACTUAL</b>
	1995	Plans	Being drafted
	1996	Adoption	3 Plans finalized and being adopted
	1997	Participation	
	1998	50 % Inc.	
	1999	100 % Inc.	
	2000	150 % Inc.	
	2001(T)	200 % Inc.	

<b>OBJECTIVE:</b> Strategic Objective 4 - The environment managed for long-term sustainability.			
<b>APPROVED:</b> MAY/1994		<b>COUNTRY/ORGANIZATION:</b> USAID/Ecuador	
<b>RESULT NAME:</b> IR A.2 - Adoption of improved practices to manage natural resources.			
<b>INDICATOR:</b> A.2 (a) - Community participation in management of selected protected areas			
<b>UNIT OF MEASURE:</b> Framework for community organizations, SLOs, NGOs and local authorities to participate with GOE agencies in the administration of the RECC, RECAV and GMR protected areas: (a) Legal framework; (b) Mapped delimitation of at least two communities completed; (c) Regulatory framework; (d) Demarcation of the RECC completed where boundaries are adjacent to settled communities, by INEFAN, with community participation. <b>SOURCE:</b> INEFAN, CARE, TNC, CDF, FUNAN, FER, INDA, NGOs INEFAN legal documents, maps <b>INDICATOR DESCRIPTION:</b> Annually (RPM) <b>COMMENTS:</b> The legal framework developed for Playa de Oro set a precedent for legalization of other communities in the RECC adjacent areas. Eight other communities are following the same process in the RECC and its adjacent area. In the RECAV, 3 communities are participating with INEFAN in developing legal frameworks, demarcations of boundaries . Note: This indicator will be fine tuned to continue as a measurement of the revised Biodiversity IR 1 during the new Strategic Plan period.	<b>YEAR</b>	<b>PLANNED</b>	<b>ACTUAL</b>
	1996	Legal Framework & Delimitation	a, b, c and d have been completed for one community.
	1997	Regulatory Framework & Demarcation	

<b>OBJECTIVE:</b> Strategic Objective 4 - The environment managed for long-term sustainability.			
<b>APPROVED:</b> MAY/1994		<b>COUNTRY/ORGANIZATION:</b> USAID/Ecuador	
<b>RESULT NAME:</b> IR A.2 - Adoption of improved practices to manage natural resources.			
<b>INDICATOR:</b> A.2 (b) - Environmental impact assessment (EIA) strategy and regulations adopted			
<b>UNIT OF MEASURE:</b> Status of EIA strategy and implementation (a) Developed, tested and fully negotiated among cognizant stakeholders/users; (b) Approved by appropriate authorities, published and widely disseminated; (c) Utilized by increasing percentage of priority sectors/sub-sectors and GOE entities as defined in National Environmental Action Plan (cumulative). <b>SOURCE:</b> CAAM, UNAMA. CAAM legal documents, publications, progress reports. CAAM/UNAMA monitoring surveys <b>INDICATOR DESCRIPTION:</b> Annually (RPM) <b>COMMENTS:</b> The training program to widely disseminate the EIA Standard system among environmental units in government agencies continues. Note: This indicator will <u>not</u> continue as a measurement at the IR level during the new Strategic Plan period.	<b>YEAR</b>	<b>PLANNED</b>	<b>ACTUAL</b>
	1995	Developed and tested	Developed and tested
	1996	Approved and published	Consensus building
	1997	Widely disseminated	
	1998	20% Util.	
	1999	40% Util.	
	2000	60% Util.	

<b>OBJECTIVE:</b> Strategic Objective 4 - The environment managed for long-term sustainability.			
<b>APPROVED:</b> MAY/1994		<b>COUNTRY/ORGANIZATION:</b> USAID/Ecuador	
<b>RESULT NAME:</b> IR A.2 - Adoption of improved practices to manage natural resources.			
<b>INDICATOR:</b> A.2 (c) - National Environmental Fund (NEF) established and endowed			
<b>UNIT OF MEASURE:</b> Status of trust fund (a) Administrative and regulatory mechanisms/regulations fully negotiated among stakeholders, approved by cognizant authorities, and published; (b) Fifty percent of target fund endowed; (c) Target fund 100 percent endowed and disbursements from earnings fully pre-programmed and disbursing. <b>SOURCE:</b> CAAM, INEFAN, NGOs. Reports on endowment and periodic increases; Reports of the NEF implementing agency <b>INDICATOR DESCRIPTION:</b> Semi-annually (RPM) <b>COMMENTS:</b> Note: This indicator will <u>not</u> continue as a measurement at the IR level during the new Strategic Plan period.	<b>YEAR</b>	<b>PLANNED</b>	<b>ACTUAL</b>
	1995	(a) Drafted	Drafted and legalized
	1996	(a) Published	Published
	1997	(b) 50 %	
	1998	(c) 100 % and disbursing	
	1999	(c) Disbursing	
	2000	(c) Disbursing	
	2001	(c) Disbursing	

OBJECTIVE: Strategic Objective 4 - The environment managed for long-term sustainability.					
APPROVED: MAY/1994		COUNTRY/ORGANIZATION: USAID/Ecuador			
RESULT NAME: IR A.2 - Adoption of improved practices to manage natural resources.					
INDICATOR: A.2 (d) - Curriculum for environmental education revised and expanded to vocational schools					
UNIT OF MEASURE: Environmental education curriculum: (a) Revised and reformed; (b) Access increased among students, especially to global issues (percent of student population <u>by gender</u> - cumulative)  SOURCE: OIKOS/MOE, E2P3. (a) OIKOS Progress Reports ; (b) Follow-up reports (MOE)  INDICATOR DESCRIPTION: Semi-Annually (RPM)  COMMENTS: Note: This indicator will <u>not</u> continue as a measurement at the IR level during the new Strategic Plan period.	YEAR	PLANNED		ACTUAL	
		M	F	M	F
	1995	--		In design	
	1996	Revised and reformed		being implemented	
	1997	10%	5%		
	1998	20%	15%		
	1999	25%	25%		
	2000	30%	30%		

OBJECTIVE: Strategic Objective 4 - The environment managed for long-term sustainability.			
APPROVED: MAY/1994		COUNTRY/ORGANIZATION: USAID/Ecuador	
RESULT NAME: IR B - Improved management of urban environment and pollution prevention.			
INDICATOR: B - Municipalities with council-level approved tariff reforms to improve urban services cost recovery			
UNIT OF MEASURE: Number of municipalities (cumulative)	YEAR	PLANNED	ACTUAL
SOURCE: RUDO/Quito, MIDUVI, Municipalities. Directly from selected municipalities	1995(B)	--	0
	1996	0	0
	1997	1	
	1998	1	
	1999	2	
	2000(T)	3	
INDICATOR DESCRIPTION: Annually (SOTL)			
COMMENTS: There are no activities going on to achieve this result because of lack of funding. Note: This indicator will <u>not</u> continue as a measurement at the IR level during the new Strategic Plan period.			

<b>OBJECTIVE:</b> Strategic Objective 4 - The environment managed for long-term sustainability.			
<b>APPROVED:</b> MAY/1994		<b>COUNTRY/ORGANIZATION:</b> USAID/Ecuador	
<b>RESULT NAME:</b> IR B.1 - Adoption of improved practices for municipal environmental management.			
<b>INDICATOR:</b> B.1 (a) - Provision of joint public/private solid waste services increased			
<b>UNIT OF MEASURE:</b> Number of public/private partnerships and/or community organizations established for the provision of solid waste services (cumulative). Unit measurement purposively aggregates across kinds of partnerships <b>SOURCE:</b> Municipalities, Banco del Estado, SSA. Direct reports from selected municipalities. <b>INDICATOR DESCRIPTION:</b> Annually (RPM) <b>COMMENTS:</b> See table B.1(b)	<b>YEAR</b>	<b>PLANNED</b>	<b>ACTUAL</b>
	1995(B)	--	In design
	1996	0	0
	1997	1	
	1998	1	
	1999	2	
	2000(T)	3	

<b>OBJECTIVE:</b> Strategic Objective 4 - The environment managed for long-term sustainability.			
<b>APPROVED:</b> MAY/1994		<b>COUNTRY/ORGANIZATION:</b> USAID/Ecuador	
<b>RESULT NAME:</b> IR B.1 - Adoption of improved practices for municipal environmental management.			
<b>INDICATOR:</b> B.1 (b) - Municipal solid waste management improved			
<b>UNIT OF MEASURE:</b> Number of municipalities with improved solid waste collection (cumulative)	<b>YEAR</b>	<b>PLANNED</b>	<b>ACTUAL</b>
<b>SOURCE:</b> Municipalities, MIDUVI. Direct reports from selected municipalities. <b>INDICATOR DESCRIPTION:</b> Annually (RPM) <b>COMMENTS:</b> One microenterprise is working in Machala and two in Manta, covering 30% and 60% of the cities, respectively. Note: This indicator will continue as a measurement of the revised Pollution Prevention Special Objective during the new Strategic Plan period.	1995(B)	--	In design
	1996	0	0
	1997	1	
	1998	1	
	1999	2	
	2000(T)	3	

<b>OBJECTIVE:</b> Strategic Objective 4 - The environment managed for long-term sustainability.			
<b>APPROVED:</b> MAY/1994		<b>COUNTRY/ORGANIZATION:</b> USAID/Ecuador	
<b>RESULT NAME:</b> IR B.1 - Adoption of improved practices for municipal environmental management.			
<b>INDICATOR:</b> B.1 (c) - Management and finance of potable water systems decentralized			
<b>UNIT OF MEASURE:</b> Number of water systems with decentralized management and finance	<b>YEAR</b>	<b>PLANNED</b>	<b>ACTUAL</b>
<b>SOURCE:</b> Selected municipality. Direct reports from selected municipality.	1995(B)	--	0
<b>INDICATOR DESCRIPTION:</b> Annually (RPM)	1996	1	0
<b>COMMENTS:</b> Communities of Monteoscurro and La América are managing their own water treatment systems. The Manta Hospital is doing so as well.	1997	1	1

<b>OBJECTIVE:</b> Strategic Objective 4 - The environment managed for long-term sustainability.			
<b>APPROVED:</b> MAY/1994		<b>COUNTRY/ORGANIZATION:</b> USAID/Ecuador	
<b>RESULT NAME:</b> IR B.2 - Adoption of improved practices for prevention and control of pollution.			
<b>INDICATOR:</b> B.2 (a) - Oil disaster clean-up fund established and endowed			
<b>UNIT OF MEASURE:</b> Status of fund (a) Drafted, fully negotiated among stake holders; (b) Regulatory language completed, approved and published, and 50 percent of target fund endowed; (c) Target fund increasingly endowed (percentage cumulative) <b>SOURCE:</b> CAAM, MOE, PetroEcuador. CAAM and GOE Reports <b>INDICATOR DESCRIPTION:</b> Annually (RPM) <b>COMMENTS:</b> The achievement of this indicator depends on GOE high level political decisions. Note: This indicator will <u>not</u> continue as a measurement at the IR level during the new Strategic Plan period, although progress will continue to be monitored.	<b>YEAR</b>	<b>PLANNED</b>	<b>ACTUAL</b>
	1995	Drafted	Not obtained
	1996	Approved and published	Not obtained
	1997	Regulations published & 20 % endowed	
	1998	50 % endowed	
	1999	70 % endowed	
	2000	90 % endowed	
	2001	100 % endowed	

<b>OBJECTIVE:</b> Strategic Objective 4 - The environment managed for long-term sustainability.			
<b>APPROVED:</b> MAY/1994		<b>COUNTRY/ORGANIZATION:</b> USAID/Ecuador	
<b>RESULT NAME:</b> IR B.2 - Adoption of improved practices for prevention and control of pollution.			
<b>INDICATOR:</b> B.2 (b) - Improved pesticide management policies and practices adopted			
<b>UNIT OF MEASURE:</b> Improved pesticide management policies and practices (a) Developed, tested and fully negotiated among cognizant stakeholders/users; (b) Approved by appropriate authorities, published and widely disseminated; (c) Utilized by increasing percentage of priority sectors/sub-sectors as defined in national environmental action plan (cumulative). <b>SOURCE:</b> CAAM, SESA, MAG. Monthly meetings/surveys; progress reports (from whom) <b>INDICATOR DESCRIPTION:</b> Quarterly (RPM) <b>COMMENTS:</b> The training program was implemented until January 1997 but it will not continue due to funding reduction. Note: This indicator will <u>not</u> continue as a measurement at the IR level during the new Strategic Plan period, although progress will continue to be monitored.	<b>YEAR</b>	<b>PLANNED</b>	<b>ACTUAL</b>
	1995	Developed	Developed and tested
	1996	Fully negotiated	Not obtained
	1997	Approved and published	
	1998	20 % util.	
	1999	40 % util.	
	2000	60 % util.	
	2001	80 % util.	

<b>OBJECTIVE:</b> Strategic Objective 4 - The environment managed for long-term sustainability.			
<b>APPROVED:</b> MAY/1994		<b>COUNTRY/ORGANIZATION:</b> USAID/Ecuador	
<b>RESULT NAME:</b> IR B.2 - Adoption of improved practices for prevention and control of pollution.			
<b>INDICATOR:</b> B.2 (c) - Proper urban and industrial pollution management increased; cleaner industrial operations implemented.			
<b>UNIT OF MEASURE:</b> Number of firms/municipalities/communities that adopt a model (Cumulative). This indicator purposively aggregates across programs and locations <b>SOURCE:</b> OIKOS, EP3. Progress Reports from OIKOS; Follow-up Reports (OIKOS, E2P3); Agreements signed (OIKOS/municipalities, industries). <b>INDICATOR DESCRIPTION:</b> Semi-annually (SOTL) <b>COMMENTS:</b> OIKOS signed new Agreements with the Pichincha Textile Association and others. Note: This indicator will be fine tuned to continue as a measurement of the revised Pollution Prevention Special Objective during the new Strategic Plan period.	<b>YEAR</b>	<b>PLANNED</b>	<b>ACTUAL</b>
	1995(B)	--	2
	1996	10	15
	1997	20	31
	1998	30	
	1999	40	
	2000	50	

## **Global Objectives - Disaster Preparedness**

Ecuador is one of the countries in South America that has the highest vulnerability and risk of natural disasters because it is located along the circum-Pacific belt known as the ring of fire which encircles the Pacific Ocean. This is an area known for volcanic eruptions, earthquakes, tsunamis, landslides, and floods.

- **Earthquake** - The most recent major earthquake to hit Ecuador occurred on March 28, 1996 and had a magnitude of 5.7 on the Richter Scale striking the Cotopaxi, Tungurahua and Pasta Provinces. More than twenty communities in the area of Latacunga were severely affected by the disaster, involving 15,000 people. This disaster was of sufficient magnitude to warrant US Government assistance. Thanks to OFDA assistance and the disaster management assistance provided by RUDO/Quito, the Mission was able to respond immediately and effectively to this disaster. Based on an assessment made by OFDA representatives and RUDO/Quito, it was determined that the most urgent need was to provide emergency shelter. OFDA provided 190 rolls of re-enforced plastic sheeting for shelter for approximately 1,500 families. In addition, 1,500 individual plastic water containers and approximately 9,000 wool blankets were provided. Added to this was US\$25,000 made available for the local purchase of complimentary construction tools and supplies such as hammers, nails, handsaws, twine, etc. for the construction of the temporary shelters.

- **Flooding** - A torrential rain in March 1997 resulted in flood waters ranging from several inches to several feet in affected sites in the Pacific coastal provinces of Guayaquil, El Oro, Manabi, Los Rios, and Esmeraldas. OFDA provided \$25,000 in emergency assistance through the Ecuadorian Civil Defense for commodities and services to diminish the suffering of the victims of the flooding. The bulk of the assistance was used to purchase twenty water suction pumps and related hoses and tubing in order to drain the water from the affected areas.

In preparation for the future, Rudo/Quito is actively working with national and local organizations to prevent, mitigate, prepare, and manage responses to disasters.

- **Local Governments** - OFDA's Institutionalizing Disaster Prevention, Mitigation, and Preparedness (PMP) activities has been designed to reinforce the role of local governments as key players in disaster PMP and response. This is done through the formulation of well coordinated management frameworks supported by legal structures which systematize municipal PMP activities and encourage local PMP and response workplans. RUDO/Quito is currently implementing this program through technical assistance to the Municipality of Quito to improve coordination of disaster activities and consequently to reduce the risks posed to citizens and infrastructure by disasters. During this, the third year of implementation for this program, the Municipality of Quito has institutionalized the PMP activities through a decree which expands the Disaster Response Team network to include the Ecuadorian Red Cross, Civil Defence and Municipality representatives. This model is now being replicated in Asuncion, Paraguay and Caracas, Venezuela.

- **Training** - RUDO/Quito has been coordinating OFDA disaster management training assistance with local organizations including the Ecuadorian Red Cross and the Civil Defense. Ecuador is one of the priority countries where this program is being implemented. In FY 1997, approximately 200 Ecuadorians from immediate response agencies, local and national governments, and universities were trained in citizen risk and responses to volcano eruptions, flooding, and earthquakes. The cumulative number of people trained since 1998 is expected to produce a critical mass within each province sufficient to ensure the capacity of the province/community to provide immediate response in case of disaster.

- **Scholar Emergency Preparedness** - Under this program, RUDO/Quito is training students (six-twelve years old) and their teachers in immediate student response in case of fire, volcanic eruptions, and earthquake. The target audience was chosen because children have been found to be the best disseminators of information of this type into their communities.

### PART III: STATUS OF THE MANAGEMENT CONTRACT

#### A. Changes/Refinements at the Strategic Objective Level

USAID/Ecuador is currently refocusing its Strategic Objectives from four to two as part of the new Strategic Plan for FY 1998 - 2002. This is being done in line with the realities facing the Mission with respect to funding and staffing constraints as USAID/Ecuador moves from being a Full Sustainable Development Mission to a Limited Mission. Overall, the focus of the Strategic Plan is to establish a network of institutionally strengthened, sustainable Ecuadorian PVOs/NGOs which can participate in decision-making across a spectrum of sectors at both the local and national levels and continue to contribute to development over the longer term. In addition to the narrative of the Strategic Plan itself, the details are discussed under the "Transition" section of each respective SO in this R4.

In summary, due to funding restrictions, SO 1 "Sustainable economic growth for a broad base of the population" is being terminated by the end of FY 1998, and will not be continued as part of the new Strategic Plan. Policy Dialogue will be phased out during FY 1998. No new major Housing activities will be financed by USAID/Ecuador. SDAA will be redefined to include more than just productive activities, and will support the full range of SOs. Microenterprise credit activities will be continued for a limited period as a Special Objective "Increased access to financial services by microentrepreneurs" through FY 2000.

SO 2 "Reduced mortality and fertility" has been revised to more realistically identify USAID/Ecuador's contribution and to reflect the importance of sustainability as "Increased use of sustainable family planning/maternal child health services." All activities under SO 2 will be completed as of the end of FY 2000, with the exception of the final phase of sustainability support which will be consolidated as a family planning Special Objective through FY 2002.

SO 3 "Strengthened sustainable democracy" has been <sup>revised</sup> consolidated as "Strengthened Civil Society," while the ~~Anti~~-corruption activities previously included in the SO have been separated out as a short-term Special Objective "Transparency and good governance."

SO 4 "The environment managed for long-term sustainability" has been revised in terms of budgetary and staffing realities to concentrate on "Conserve biodiversity in selected protected areas." Important, but short-term, Pollution Prevention results have been grouped under a separate Special Objective "Improved sustainable capacity of selected public and private institutions to prevent/control pollution."

Therefore, after FY 2000 the Mission will be implementing activities to achieve only two Strategic Objectives in Biodiversity and Democracy. In addition, highly targeted sustainability support to FP NGOs will be continued under a Special Objective through FY 2002.

Given the restructuring of the portfolio to accomplish these objectives and the refocusing of activities that has occurred this year, USAID/Ecuador will be using the revised indicators as laid out in the Strategic Plan in order to measure progress beginning in FY 1997.

#### B. Special Concerns or Issues

- A primary focus of the family planning activities is to assure greater levels of sustainability of the programs delivered by our partner NGOs. One of the main interventions will be to promote the creation of Sustainability Funds. USAID/Ecuador will cover the NGOs operating costs, which will liberate their program income for deposit into the Sustainability Funds. The income generated through the investment of the Funds will cover the gap in their budget that will arise once USAID/Ecuador assistance ends. Through this mechanism the FP NGOs will be able to continue offering the same level of services and maybe even expand their coverage. Without such a Fund in place, the FP NGOs will be forced to refocus their efforts to support those clinics and services that generate the income needed to sustain their operations, thereby



resulting in limitations on services to poorer segments of society. USAID/Ecuador is therefore proposing that this specific aspect of SO 2 be continued as a Special Objective beyond the end of the SO in FY 2000 in order to ensure that the Sustainability Funds have been sufficiently built up to enable continued implementation of activities by the NGOs over the longer term.

- The recent political crisis in Ecuador has created a fervor for a wide array of economic reforms and draft constitutional and legislative reforms are presently being debated by a broad spectrum of political parties, NGOs, labor leaders, business chambers, and indigenous organizations. These reforms include substantial privatization policies, IPR laws, social security reform, customs reforms, labor laws, new capital markets and financial institutions laws, education reform, judicial reform, and discussions on free trade areas for the Americas. It is precisely these structural reforms that Ecuador most needs to break the vicious fifteen-year cycle of low growth and widespread poverty. These are the structural reforms that would convince domestic and foreign investors that the country is a worthwhile place to invest.

USAID/Ecuador's Economic Growth activities have over the years, played an important role in changing the mind-set of public opinion on the need for a stable economy as a necessary condition for economic growth. Our NGO partners have fostered important dialogue activities that contributed to a halving of inflation and a basically outward oriented economy for Ecuador. Recent activities that focused on social policy reforms have started to take hold, but additional investments are required for the dialogue process to be successful. It is therefore rather paradoxical that funding for the Economic Growth Strategic Objective is being eliminated at this time. Ecuador is at a watershed where the foundations for a new economic order can be laid, and it is unfortunate that USAID/Ecuador cannot participate to ensure that the debate is participatory and that the right track is taken.

- USAID/Ecuador is being asked to eliminate its health activities by the end of FY 2000 at a critical time for the health sector in Ecuador. Key health indicators in Ecuador are deteriorating. Government financing for public health has been greatly reduced, including counterpart funds for World Bank loans. Other donors in the health sector are scaling back their health activities. The \$100.0 million World Bank project which is the primary support for the Ministry of Health is paralyzed by bureaucratic in-fighting and policy conflicts. USAID/Ecuador's direct contributions to health reform, expanded access to health services, and demonstration projects (plus its indirect contribution through leveraging other donor support) is critical and viewed as very effective. Given these trends, USAID/Ecuador will monitor developments closely and may revisit the necessity to support MCH/CS activities beyond FY 2000.
- USAID/Ecuador was previously scheduled for a FY 2000 close-out, but in recent discussions between USAID/W and State the new close-out date has been confirmed for FY 2003. With the political events of this past year culminating in the ouster of President Bucaram has come a new national interest in the role of civil society in democracy and a vigorous campaign of anti-corruption. The initiation of these new activities will require considerable staff time, including staff in the Controllers and Contracting Offices, thus justifying USAID/Ecuador maintaining current Mission support resources at full strength and capacity. When the program in Ecuador phases down to two SOs at the end of FY 2000, as indicated in the R4 guidance, that is when the regionalization of service functions should be considered.

## **PART IV: RESOURCE REQUIREMENTS**

### **A. Financial Plan**

Tables I.a, I.b, and I.c (presented below in Section F. "Tables") lay out USAID/Ecuador's budget request by SO/SpO for FYs 1997, 1998, and 1999 respectively.

### **B. Prioritization of Objectives**

For several years now, USAID/Ecuador has taken, and will continue to take in the immediate future, serious steps to consolidate its development assistance program and reduce the number of management units in order to improve the Mission's strategic focus and respond to new program and OE budget realities within the Agency. In light of these efforts, the program consists now of a highly integrated and interrelated approach for helping Ecuador achieve sustainable development. For example, activities under SO 3, aimed at strengthening Ecuador's democracy, are critical to ensure the type of governability that is required in order to achieve the increased levels of social and economic development that the Mission and its local partners pursue under SO 1 (Economic Growth, including microenterprise development), and SO 2 (Health and Family Planning). In a similar fashion, activities with NGOs for basic health (SO 2) and environmental management (SO 4), are critical in the achievement of sustainable economic growth (SO 1) and the provision of greater economic opportunities for the poor.

The Ecuador program is not a resource intensive program. Rather, it is constructed around the fact that USAID/Ecuador has sufficient credibility, and therefore a strong "seat at the table" to influence, through our partners, key policy changes in the legal, regulatory, institutional, and resource allocation areas to improve the environment for sustainable development. Accordingly, modest investments, as those contemplated in the Budget Request Tables, in technical assistance, institution building, and policy dialogue have already played a significant role in achieving substantive structural reforms as a basis for improved performance in the economic, social, democratic, and environmental sectors.

However, the Mission does recognize that funding levels below those contemplated in the worst-case scenarios for FY 1998 and FY 1999, as described in the Strategic Plan and in the R4 Supplemental Resource Allocation Memo, would force additional threshold decisions regarding the strategic objective composition of its development assistance program. Consequently, USAID/Ecuador, in the context of the Strategic Plan for the period FY 1998 to FY 2002, has already contemplated the elimination of SO 1 (Economic Growth) at the end of FY 1998, and the additional elimination of another SO, by the end of FY 2000.

In light of the interrelation, linkages, and cohesiveness that exist among the four Mission SOs, it continues to be difficult, and to some extent unfair to the nature of USAID/Ecuador's development assistance efforts, to establish a priority ranking of SOs. However, in order to comply with Agency requirements, USAID/Ecuador presents the following ranking for its four ongoing SOs:

<u>Rank</u>	<u>Abbreviated SO Title</u>
1st	SO 3: Strengthening Democracy
2nd	SO 2: Family Planning and Health
3rd	SO 4: Environmental Management
4th	SO 1: Sustainable Economic Growth

SO 3 "Strengthening Democracy" has been ranked first in strategic importance because it is a US Government priority in Ecuador and is the most important objective in the Mission Program Plan (MPP), particularly in light of the recent political events which led to Congressional action to depose President Bucaram after six months in Office and appoint Fabián Alarcón as Interim President through August 10,

1998. These events proved that Ecuador continues to be a fragile democracy and that more needs to be done to strengthen democratic institutions and civil society in order to preserve democratic process and Constitutional order in the country.

SO 2 "Health and Family Planning" has been ranked second in strategic priority, although it is the Mission's assessment that the family planning component of this SO is the single most important activity in the entire portfolio. USAID/Ecuador remains the key donor supporting family planning, which, in spite of the dramatic results achieved in contraceptive prevalence and reducing population growth, still requires adequate levels of Mission investment in order to assure the sustainability of family planning partner NGOs. The sustainability of these NGOs is essential to assure significant improvements in the quality of and the access to family planning services over the longer term, and to protect significant investments made by USAID/Ecuador in the past in this sector. It is anticipated that at the end of FY 2000 and per instructions from USAID/W, the Mission will phase out of the health sector component of this Strategic Objective unless the deteriorating trend in health indicators were to continue and indicate the need for continued assistance. The termination of activities in the health sector will be more palatable to Mission partners in the public and private sectors, as other donor resources begin to flow into the sector to consolidate the kinds of reforms that are presently being advocated and to disseminate the health service delivery models that are now being tested with USAID/Ecuador funds.

SO 4 "Environmental Management" has been ranked third in strategic priority because of the critical impact that rational management of natural resources, an improved conservation of biodiversity, and the adequate control of urban pollution will have on Ecuador's prospects for achieving sustainable development in the long term. Further, this SO will also play a crucial role with indigenous communities within protected areas and their buffer zones in providing such groups with first-time economic opportunities.

SO 1 "Sustainable Economic Growth" has been ranked fourth in strategic priority because of budgetary constraints. As stated in the Strategic Plan, the Mission believes that Ecuador is yet far from achieving sustainable levels of social and economic development. This SO has been instrumental in setting the stage to improve social and economic conditions in Ecuador, broaden the participation and benefit of the poor and disadvantaged in and from the economic process, and improve the social and economic policy framework for sustainable development. However, given severe limitations in unrestricted growth funding and the specific Agency guidance received, the Mission will terminate activities under this SO at the end of FY 1998. Fortuitously, other donors, most notably the World Bank, have identified the critical importance of promoting consensus for needed economic and social reforms and will be initiating activities in this area.

The Mission has already achieved significant progress in all strategic objectives. The rather modest investments proposed in this R4, particularly at the reduced funding levels included in the Budget Tables, are critical in enabling the Mission to work principally with its NGO partners towards sustainable social and economic development that will benefit especially the poor majority, as well as the country as a whole. In addition, the funding levels requested and justified in this presentation will continue to be central in playing a catalytic role in attracting larger resource inflows from the donor community, i.e., the World Bank and the Interamerican Development Bank. These donor resources are also essential for the achievement of the results outlined above for each of the Mission's strategic objectives.

#### **C. Field Support from Global Bureau**

The Mission anticipates the following services and support from G Bureau contracts and cooperative agreements.

**1. Strategic Objective 1 - Environment**

- G/ENV: Biodiversity Support Program ( 936-5554) for TA to the Environmental Support Program 518-0126

**2. Strategic Objective 2 - FP/Health**

- G/PHN: Central Contraceptive Procurement (936-3057) for TA on contraceptive phase-out plan.
- G/PHN: JHPIEGO (936-3069) for TA to set up reproductive health training center at APROFE, and to develop national guidance for reproductive health.
- G/PHN: JHU/PCS (936-3052) for IEC development with the NGOs.
- G/PHN: Initiatives in NFP and Breastfeeding(936-3061) for TA on fertility awareness training at high schools.
- G/PHN: SOMARC III (936-3051) for TA for the further development of CEMOPLAF's social marketing program.
- G/PHN: INOPAL III (936-3030) to institutionalize operations research at APROFE and CEMOPLAF(in collaboration with FHI).
- G/PHN: Centers for Disease Control (936-3038) for TA in contraceptive logistics management. (In FY 1998 there will be a buy-in to CDC to initiate support for the 1999 National Health and Demographic Survey, ENDEMAIN, a critical survey for measuring SO Results.)
- G/PHN: Quality Assurance (936-5992) to improve operations in 40 health areas and several hospitals.
- G/PHN: Partnerships for Health Reform (936-5974.13) for health reform studies.
- G/PHN: CEDPA (936-5970) to provide TAACS Advisor.
- G/PHN: RPM (936-5974.08) for training in pharmaceutical management.
- G/PHN: BASICS (936-6006) for TA to APOLO activities to strengthen the private sector.

**3. Strategic Objective 3 - Democracy**

- G/HCD: Academy for Educational Development (IQC HNE-I-00-96-000-18-00) to strengthen the capacity of local NGOs for effective communication.
- G/HCD: Advancing Basic Education and Literacy (ABEL II) (936-5832) for technical assistance in education policy reform development, including promotion of accountability, decentralization, and radio education.
- G/DG: Department of Justice - Participating Agency Services Agreement (PASA), for technical assistance from the Federal Judiciary Center for strengthening prosecutorial laws.
- G/HCD: LAC Regional Civic Education Program (598-813) to strengthen the capacity of Ecuadorian NGOs to carry out civic education programs.

Table II (presented below in Section F. "Tables") lays out the Mission's Field Support requirements by Fiscal Year and identifies the estimated funding requirements.

## **D. Workforce and Operating Expenses (OE)**

### **1. Operating Expenses**

During the current FY, the Mission has continued the transition to "managing for results" but these efforts have been hampered by severe budget constraints and downsizing of Mission staff as dictated by USAID/W. The downsizing exercises and reduction of staff, while anticipated, have forced the Mission to cut essential services and close out programs that would have continued past FY 1999.

Table III (presented below in Section F. "Tables") details the Mission's budget for operating expenses for FYs 1997, 1998, and 1999. With the remaining minimal OE Trust Funds fully expended in FY 1996, the Mission has required full dollar funding beginning in FY 1997. The FY 1997 approved OE budget of \$2.9 million reflects a 7 percent increase from actual FY 1996 OE obligations. However, the Mission anticipates that the FY 1998 mark of \$2.7 million will restrict Mission operations. Excluding ICASS, the OE requirements for FYs 1998 and 1999 remain below the FY 1997 level.

### **2. Workforce**

Mission budgets projected through FY 1999 have been based on staff reductions and workforce levels mandated by USAID/W. For budget purposes, these reductions were initially planned to take effect on September 30th of each FY but per USAID/W instructions the FY 1998 reductions have been reprogrammed for April 1st and September 30th. In addition, USAID/Ecuador will have to absorb cuts to reach the FY 1999 ceiling as of October 1, 1998. This is an effective reduction of 18.6 percent of staff in FY 1998. Table IV (presented below in Section F. "Tables") details the Mission's workforce schedule.

While continuing to provide regional Controller, Contracting, and Executive Office support to USAID/Colombia and RUDO/Quito, USAID/Ecuador has had to reduce nine staff positions by the end of FY 1997. As expected these position reductions have increased the workload for the remaining staff, especially the Mission support offices. Further complicating Mission support objectives has been countless staff hours spent working on the NMS. The Mission cannot reduce Controller staff further until the new systems are operational and there is no need to maintain dual accounting systems.

### **3. Other Factors Affecting the Budget**

During FY 1997, the RCO position was transferred to Lima as the first move in the Regional Service Center concept and the Assistant Director was reassigned to the Dominican Republic. Neither of the two positions will be filled or reestablished thereby having no significant impact on the budget. As a result of the travel, home leave, and reassignment freeze imposed by USAID/W in FY 1996, five USDHs will complete their tours and go on home leave/return to post this fiscal year. In FY 1998, three USDHs will go on home leave and return to post. No transfers or reassignments are anticipated for FY 1998; however, in FY 1999 five USDHs will complete their tours and it is expected that three will transfer to other missions, and two will transfer to USAID/Washington.

If Mission downsizing continues as planned, the Mission may have to negotiate a return of at least two floors of the commercial office space we now occupy, or look for a smaller office building in FY 1999. Commercial office space is very expensive in Quito and by moving to a smaller building USAID/Ecuador would probably not realize any savings. On the contrary, moving and reinstallation expenses could significantly increase the OE budget expenses and requirements.

During FY 1997 the inflation rate has risen from 22 percent to more than 31 percent. This significant increase was primarily due to the political crisis in which President Bucaram was removed from office, a government decree which increased salaries, and a lack of investor confidence. However, amid speculation that the Dollar vs. Sucre exchange rate would increase significantly, it has actually maintained a constant balance during the past fiscal year. Local currency costs have been calculated

at the current rate of exchange and the budget assumes that the exchange rate will remain reasonably steady through the year 1999.

#### **4. International Cooperative Administration Support System (ICASS)**

The FAAS cost for FY 1996 was \$42.7 thousand. The cost of ICASS in FY 1997 (pilot year) is expected to be \$100.0 thousand. At present, USAID/Ecuador does not anticipate providing any ICASS-related services in the next two fiscal years.

#### **E. Environmental Compliance**

During FY 1997, the Mission is in the process of designing follow-on activities under two of the Mission's SOs: Family Planning (SO 2) and Biodiversity Conservation (previously SO 4, new SO 1). It is expected that the IEEs for these two sets of activities will be in line with the IEEs for the predecessor activities: i.e., for the family planning activities, a categorical exclusion; and for the biodiversity conservation activities, a negative determination for most of the planned activities, although some of the planned activities may require an Environmental Assessment. In early FY 1998, USAID/Ecuador will amend the existing results package documentation under the Democracy SO (SO 3) in order to incorporate the new focus on Civil Society strengthening; and under FP/Health SO (SO 2) to extend the Child Survival activities by one year. Again, it is expected that the IEEs for new activities will be in line with those for existing activities, i.e., both categorical exclusions.

Table V (presented below in Section F. "Tables") lays out the status of the threshold decision for each of the activities under each Strategic Objective.

It is worth noting that the Microenterprise Project, although granted a Categorical Exclusion, has promoted consideration of environmental aspects within its training, focus group, and lending activities. One topic of discussion in the training courses for loan officers is the potential environmental impact of a microenterprise's activities. Environmental impacts are also discussed in the focus groups. The application form for a microenterprise loan includes a section on possible environmental impacts of the proposed activity.

STATE 8471, dated Aug 96, approves the site specific environmental assessment of the Playa de Oro land use management plan but with comments and conditions. CARE/SUBIR has hired a consultant who will work during the first half of 1997 to ensure that the Playa de Oro land use management plan is revised in order to comply with these conditions.

#### **F. Resource Tables**

These tables can be found on the following pages:

- I Program Resources Request
- II Global Field Support
- III OE Resources Request
- IV Workforce Schedule
- V Status of CFR 216 Measures

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S.O. #	Title	Est. SO Pipeline at end of FY 96	FY 1997 Total Request	Basic Education for Chldrn	Other Economic Growth	Population	FY 1997 Request Child Survival	HIV/AIDS	Other Health	Environ	D/G	Est Expend. FY 97	Est Total cost life of SO	Mortgage at end of 1997
SO 1:	Increase sustainable economic growth for a broad base of the population													
	DAF Bilateral	3,848	1,900	0	1,900	0	0	0	0	0	0	2,080		
	DAF Field Spt		0	0	0	0	0	0	0	0	0			
	Total	3,848	1,900	0	1,900	0	0	0	0	0	0	2,080	19,016	5,203
SO 2:	Reduced levels of mortality and fertility													
	FP/CHS Bilateral	4,367	5,352	0	0	3,395	1,957	0	0	0	0	5,204		
	FP/CHS Field Spt		1,480	0	0	405	1,075	0	0	0	0	1,635		
	Total	4,367	6,832	0	0	3,800	3,032	0	0	0	0	6,839	33,000	14,200
SO 3:	Improved responsiveness of selected democratic institutions with greater citizen participation													
	DAF/ESF Bilateral	1,297	1,400	0	0	0	0	0	0	0	1,400	982		
	DAF Field Spt		100	0	0	0	0	0	0	0	100	0		
	Total	1,297	1,500	0	0	0	0	0	0	0	1,500	982	4,000	2,257
SO 4:	Improved responsiveness of selected democratic institutions with greater citizen participation													
	DAF Bilateral	2,245	2,250	0	0	0	0	0	0	2,250	0	2,460		
	DAF Field Spt		0	0	0	0	0	0	0	0	0			
	Total	2,245	2,250	0	0	0	0	0	0	2,250	0	2,460	19,500	9,359
Total Bilateral			10,902	0	1,900	3,395	1,957	0	0	2,250	1,400			
Total Field Support			1,580	0	0	405	1,075	0	0	0	100			
TOTAL PROGRAM		11,757	12,482	0	1,900	3,800	3,032	0	0	2,250	1,500	12,361	75,516	31,019

Development Assistance	11,882
Development Fund for Africa	0
Economic Support Funds	600
SEED	0
FSA	0
PL 480 Title II	0
PL 480 Title III	0
Micro & Small Ent. Dev. Credit Program	0
Housing Investment Guarantee Program	0
Enhanced Credit Program	0
Disaster Assistance	0

TABLE I.b - USAID FY 1998 Budget Request by Program/Country  
(\$000)

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Country/Program: ECUADOR

S.O. #	Title	Approp Acct	Bilateral/ Field Spt	Est. SO Pipeline at end of FY 97	FY 1998 Total Request	Basic Education for Chldrn	Other Economic Growth	Population	Child Survival	HIV/AIDS	Other Health	Environ	D/G	Est Expend. FY 98	Est Total cost life of SO	Mortgage at end of 1998
SO 1: Conserve Biodiversity in selected protected areas																
	DAF	Bilateral		1,700	3,350	0	0	0	0	0	0	3,350	0	2,919		
	DAF	Field Spt			50	0	0	0	0	0	0	50	0			
	Total			1,700	3,400	0	0	0	0	0	0	3,400	0	2,919	18,600	5,139
SO 2: Increased use of sustainable family planning/maternal child health services																
	FP/CHS	Bilateral		4,412	4,050	0	0	2,900	1,150	0	0	0	0	4,675		
	FP	Field Spt		1,377	450	0	0	450	0	0	0	0	0	1,415		
	Total			5,789	4,500	0	0	3,350	1,150	0	0	0	0	6,090	43,398	10,330
SO 3: Strengthened Civil Society Organization																
	DAF	Bilateral		1,120	700	0	0	0	0	0	0	0	700	1,290		
	DAF	Field Spt			600	0	0	0	0	0	0	0	600	40		
	Total			1,120	1,300	0	0	0	0	0	0	0	1,300	1,330	4,000	680
SP0 1 Pollution Prevention																
	DAF	Bilateral			800	0	0	0	0	0	0	800	0	200		
	DAF	Field Spt			0	0	0	0	0	0	0	0	0			
	Total			0	800	0	0	0	0	0	0	800	0	200	800	0
SP0 2 Microenterprise																
	DAF	Bilateral		2,182	1,000	0	1,000	0	0	0	0	0	0	2,000		
	DAF	Field Spt			0	0	0	0	0	0	0	0	0			
	Total			2,182	1,000	0	1,000	0	0	0	0	0	0	2,000	6,000	2,018
SP0 3 Anticorruption																
	ESF	Bilateral			1,000	0	0	0	0	0	0	0	1,000	200		
		Field Spt			0	0	0	0	0	0	0	0	0			
	Total			0	1,000	0	0	0	0	0	0	0	1,000	200	1,000	0
Total Bilateral					10,900	0	1,000	2,900	1,150	0	0	4,150	1,700			
Total Field Support					1,100	0	0	450	0	0	0	50	600			
TOTAL PROGRAM				10,791	12,000	0	1,000	3,350	1,150	0	0	4,200	2,300	12,739	73,898	18,367

FY 98 Budget Request by Appropriation - (\$000's)

Development Assistance	11,000
Development Fund for Africa	0
Economic Support Funds	1,000
SEED	0
FSA	0
PL 480 Title II	0
PL 480 Title III	0
Micro & Small Ent. Dev. Credit Program	0
Housing Investment Guarantee Program	0
Enhanced Credit Program	0
Disaster Assistance	0

NOTE: For FY 1998 and FY 1999 Mission will reduce from four Strategic Objectives at the present time, to only three Strategic objectives and three Special Objectives.



TABLE I.c - USAID FY 1999 Budget Request by Program/Country  
(\$000)

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Country/Program: ECUADOR

S.O. #	Title	Approp Acct	Bilateral/ Field Spt	Est. SO Pipeline at end of FY 98	FY 1999 Total Request	Basic Education for Childrn	Other Economic Growth	Population	Child Survival	HIV/AIDS	Other Health	Environ	D/G	Est Expend. FY 99	Est Total cost life of SO	Mortgage at end of 1999
SO 1:	Conserve Biodiversity in selected protected areas															
	DAF	Bilateral		2,390	2,380	0	0	0	0	0	0	2,380	0	1,570		
	DAF	Field Spt			50	0	0	0	0	0	0	50	0			
	Total			2,390	2,430	0	0	0	0	0	0	2,430	0	1,570	18,600	2,660
SO 2:	Increased use of sustainable family planning/maternal child health services															
	FP/CHS	Bilateral		1,890	4,025	0	0	3,000	1,025	0	0	0	0	4,830		
	CHS	Field Spt		412	275	0	0	0	275	0	0	0	0	689		
	Total			2,302	4,300	0	0	3,000	1,300	0	0	0	0	5,519	33,000	6,330
SO 3:	Strengthened civil society organizations															
	DAF	Bilateral		1,294	730	0	0	0	0	0	0	0	730	820		
	DAF	Field Spt		40	600	0	0	0	0	0	0	0	600	80		
	Total			1,334	1,330	0	0	0	0	0	0	0	1,330	900	4,000	809
SP0 1	Pollution Prevention															
	DAF	Bilateral		700	0	0	0	0	0	0	0	0	0	600		
	DAF	Field Spt			0	0	0	0	0	0	0	0	0			
	Total			700	0	0	0	0	0	0	0	0	0	600	900	0
SP0 2	Microenterprise															
	DAF	Bilateral		782	940	0	940	0	0	0	0	0	0	1,982		
	DAF	Field Spt			0	0	0	0	0	0	0	0	0			
	Total			782	940	0	940	0	0	0	0	0	0	1,982	6,000	818
SP0 3	Anti-corruption															
	DAF	Bilateral		800	0	0	0	0	0	0	0	0	0	500		
	DAF	Field Spt			0	0	0	0	0	0	0	0	0			
	Total			800	0	0	0	0	0	0	0	0	0	500	1,000	0
Total Bilateral					8,075	0	940	3,000	1,025	0	0	2,380	730			
Total Field Support					925	0	0	0	275	0	0	50	600			
<b>TOTAL PROGRAM</b>				<b>8,308</b>	<b>9,000</b>	<b>0</b>	<b>940</b>	<b>3,000</b>	<b>1,300</b>	<b>0</b>	<b>0</b>	<b>2,430</b>	<b>1,330</b>	<b>11,071</b>	<b>63,500</b>	<b>10,617</b>

FY 99 Budget Request by Appropriation - (\$000's)

Development Assistance	9,000
Development Fund for Africa	0
Economic Support Funds	0
SEED	0
FSA	0
PL 480 Title II	0
PL 480 Title III	0
Micro & Small Ent. Dev. Credit Program	0
Housing Investment Guarantee Program	0
Enhanced Credit Program	0
Disaster Assistance	0

## TABLE II - GLOBAL FIELD SUPPORT

Objective Name	Field Support: Activity Title & Number	Priority	Duration	Estimated Funding (\$000)					
				FY 1997		FY 1998		FY 1999	
				Obligated By:		Obligated By:		Obligated By:	
				Global Bureau	Operating Unit	Global Bureau	Operating Unit	Global Bureau	Operating Unit
Environment	936-5554 Biodiversity Support Program (*)	Medium	FY88-98	0	---	50	---	50	---
FP&Health	936-3057 Central Contraceptive Procurement	High	on going	0	---	400	---	0	---
FP&Health	936-3069 Training in Reproductive Health (JHPIEGO)	High	FY93-98	100	---	0	---	0	---
FP&Health	936-3052 Information, Education & Communication Support	Medium	FY95-00	50	---	0	---	0	---
FP&Health	936-3061 Initiatives in Natural FP & Breastfeeding	Low	FY91-97	50	---	0	---	0	---
FP&Health	936-3051 Social Marketing for Change (SOMARC)	High	FY92-97	155	---	0	---	0	---
FP&Health	936-3030 Strategy for Improving Service Delivery (INOPAL)	Medium	FY92	50	---	0	---	0	---
FP&Health	936-3038 Family Planning Logistics Management	High	FY95-00	0	---	50	---	0	---
FP&Health	936-5992 Quality Assurance II Project	High	FY96-02	250	---	0	---	75	---
FP&Health	936-5974 13 Partnerships for Health Reform	High	FY95-00	225	---	0	---	75	---
FP&Health	936-5970 Technical Advisors AIDs & Child Survival (TAACS)	Medium-High	FY87-00	100	---	0	---	0	---
FP&Health	936-5974.08 Rational Pharmaceutical Management (*)	Medium-High	FY92-97	250	---	0	---	50	---
FP&Health	936-6006 01 Basic Support for Institutionalizing Child Survival - BASICS (*)	High	FY93-98	250	---	0	---	75	---
Democracy	HNE-I-00-96-000-18-00 Communications and Learning Links System	High	FY96-01	0	---	250	---	250	---
Democracy	936-5832 Advancing Basic Education and Literacy ABEL II	High	FY96-98	100	---	150	---	150	---
Democracy	Department of Justice-Participating Agency Services Agreement (PASA)	High		0	---	100	---	100	---
Democracy	598-0813 LAC Regional Civic Education Program	Medium-High	FY95-00	0	---	100	---	100	---
<b>GRAND TOTAL.....</b>				<b>1,580</b>	<b>---</b>	<b>1,100</b>	<b>---</b>	<b>925</b>	<b>---</b>

\*Subject to Project extension

TABLE III  
USAID/ECUADOR  
OVERSEAS MISSION BUDGET  
for OPERATING EXPENSES FY 1997-1999

15-May-97  
09:46 AM

Rate of exchange = 3,833.00

EOCC #	E O C C Description	FY 97 Total	FY 98 Total	FY 99 Total
11.1	Personnel compensation, full-time permanent			
11.1	Base Pay & pymt. for annual leave balances - FNDH	350.0	334.6	351.4
	Subtotal OC 11.1	350.0	334.6	351.4
11.3	Personnel comp. - other than full-time permanent			
11.3	Base Pay & pymt. for annual leave balances - FNDH	0.0	0.0	0.0
	Subtotal OC 11.3	0.0	0.0	0.0
11.5	Other personnel compensation			
11.5	USDH	0.0	0.0	0.0
11.5	FNDH	3.0	3.1	3.2
	Subtotal OC 11.5	3.0	3.1	3.2
11.8	Special personal services payments			
11.8	USPSC Salaries	151.9	130.0	130.0
11.8	FN PSC Salaries	1,074.6	1,077.3	974.2
11.8	IPA/Details-In/PASAs/RSSAs Salaries	0.0	0.0	0.0
	Subtotal OC 11.8	1,226.5	1,207.3	1,104.2
12.1	Personnel benefits			
12.1	USDH benefits			
12.1	Educational Allowances	87.0	62.0	87.0
12.1	Cost of Living Allowances	0.0	0.0	0.0
12.1	Home Service Transfer Allowances	0.0	0.0	0.0
12.1	Quarters Allowances	162.3	120.6	114.7
12.1	Other Misc. USDH Benefits	8.0	6.0	26.1
12.1	FNDH Benefits			
12.1	Payments to the FSN Separation Fund - FNDH	4.6	6.0	5.0
12.1	Other FNDH Benefits	23.8	20.0	21.0
12.1	US PSC Benefits	0.0	0.0	0.0
12.1	FN PSC Benefits	0.0	0.0	0.0
12.1	Payments to the FSN Separation Fund - FN PSC	27.4	16.1	14.0
12.1	Other FN PSC Benefits	0.0	0.0	0.0
12.1	IPA/Detail-In/PASA/RSSA Benefits	0.0	0.0	0.0
	Subtotal OC 12.1	313.1	230.7	267.8
13.0	Benefits for former personnel			
13.0	FNDH			
13.0	Severance Payments for FNDH	26.9	0.0	0.0
13.0	Other Benefits for Former Personnel - FNDH	0.0	0.0	0.0
13.0	FN PSCs			
13.0	Severance Payments for FN PSCs	59.6	97.6	81.8
13.0	Other Benefits for Former Personnel - FN PSCs	0.0	0.0	0.0
	Subtotal OC 13.0	86.5	97.6	81.8

TABLE III  
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 OVERSEAS MISSION BUDGET  
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15-May-97  
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EOCC #	E O C C Description	FY 97 Total	FY 98 Total	FY 99 Total
21.0	Travel and transportation of persons			
21.0	Training Travel	12.0	12.0	12.0
21.0	Mandatory/Statutory Travel			
21.0	Post Assignment Travel - to field	0.0	0.0	8.3
21.0	Assignment to Washington Travel	0.0	0.0	3.0
21.0	Home Leave Travel	23.8	18.6	12.4
21.0	R & R Travel	14.3	11.0	10.0
21.0	Education Travel	7.5	8.7	7.5
21.0	Evacuation Travel	6.0	6.0	6.0
21.0	Retirement Travel	0.0	0.0	0.0
21.0	Pre-Employment Invitational Travel	0.0	0.0	0.0
21.0	Other Mandatory/Statutory Travel	0.0	0.0	0.0
21.0	Operational Travel			
21.0	Site Visits - Headquarters Personnel	8.4	4.1	4.1
21.0	Site Visits - Mission Personnel	20.9	25.0	25.0
21.0	Conferences/Seminars/Meetings/Retreats	10.0	10.8	10.8
21.0	Assessment Travel	0.0	0.0	0.0
21.0	Impact Evaluation Travel	0.0	0.0	0.0
21.0	Disaster Travel (to respond to specific disasters)	0.0	0.0	0.0
21.0	Recruitment Travel	0.0	0.0	0.0
21.0	Other Operational Travel	3.2	10.4	10.4
	Subtotal OC 21.0	106.1	106.6	109.5
22.0	Transportation of things			
22.0	Post assignment freight	15.0	0.0	62.0
22.0	Home Leave Freight	15.0	10.0	7.0
22.0	Retirement Freight	0.0	0.0	0.0
22.0	Transportation/Freight for Office Furniture/Equip.	4.5	4.5	7.0
22.0	Transportation/Freight for Res. Furniture/Equip.	1.0	3.1	1.0
	Subtotal OC 22.0	35.5	17.6	77.0
23.2	Rental payments to others			
23.2	Rental Payments to Others - Office Space	346.7	323.5	319.7
23.2	Rental Payments to Others - Warehouse Space	15.8	16.0	16.0
23.2	Rental Payments to Others - Residences	0.0	0.0	0.0
	Subtotal OC 23.2	362.5	339.5	335.7
23.3	Communications, utilities, and miscellaneous charges			
23.3	Office Utilities	47.6	52.0	54.6
23.3	Residential Utilities	13.9	16.0	17.8
23.3	Telephone Costs	78.5	78.4	54.6
23.3	ADP Software Leases	0.0	0.0	0.0
23.3	ADP Hardware Lease	0.0	0.0	0.0
23.3	Commercial Time Sharing	0.0	0.0	0.0
23.3	Postal Fees (Other than APO Mail)	1.0	1.0	1.0
23.3	Other Mail Service Costs	1.0	1.0	1.0
23.3	Courier Services	8.0	7.0	7.0
	Subtotal OC 23.3	150.0	155.4	136.0

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TABLE III  
USAID/ECUADOR  
OVERSEAS MISSION BUDGET  
for OPERATING EXPENSES FY 1997-1999  
Rate of exchange = 3,833.00

15-May-97  
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EOCC #	EOCC Description	FY 97 Total	FY 98 Total	FY 99 Total
24.0	Printing and Reproduction	0.0	0.0	0.0
	Subtotal OC 24.0	0.0	0.0	0.0
25.1	Advisory and assistance services			
25.1	Studies, Analyses, & Evaluations	0.0	2.0	2.5
25.1	Management & Professional Support Services	0.0	5.1	5.4
25.1	Engineering & Technical Services	0.0	0.0	0.0
	Subtotal OC 25.1	0.0	7.1	7.9
25.2	Other services			
25.2	Office Security Guards	69.0	71.2	75.6
25.2	Residential Security Guard Services	0.0	0.0	0.0
25.2	Official Residential Expenses	0.0	0.0	0.0
25.2	Representation Allowances	1.0	1.0	1.0
25.2	Non-Federal Audits	0.0	0.0	0.0
25.2	Grievances/Investigations	0.0	0.0	0.0
25.2	Insurance and Vehicle Registration Fees	1.1	1.7	1.8
25.2	Vehicle Rental	0.1	0.0	0.0
25.2	Manpower Contracts	19.2	20.1	21.1
25.2	Records Declassification & Other Records Services	0.0	0.0	0.0
25.2	Recruiting activities	0.0	0.0	0.0
25.2	Penalty Interest Payments	0.6	0.5	0.5
25.2	Other Miscellaneous Services	32.0	34.0	34.0
25.2	Staff training contracts	16.1	16.0	16.0
25.2	ADP related contracts	0.0	0.0	0.0
	Subtotal OC 25.2	139.1	144.5	150.0
25.3	Purchase of goods and services from Government accounts			
25.3	FAAS/ICASS	106.0	100.0	90.0
25.3	All Other Services from Other Gov't. accounts	0.0	0.0	0.0
	Subtotal OC 25.3	106.0	100.0	90.0
25.4	Operation and maintenance of facilities			
25.4	Office building Maintenance	5.0	5.0	5.0
25.4	Residential Building Maintenance	2.4	2.4	2.4
	Subtotal OC 25.4	7.4	7.4	7.4
25.7	Operation/maintenance of equipment & storage of goods			
25.7	ADP and telephone operation and maintenance costs	4.0	9.2	10.0
25.7	Storage Services	0.0	0.0	0.0
25.7	Office Furniture/Equip. Repair and Maintenance	9.0	5.0	10.0
25.7	Vehicle Repair and Maintenance	6.1	4.0	4.0
25.7	Residential Furniture/Equip. Repair and Maintenance	7.6	6.0	10.0
	Subtotal OC 25.7	26.7	24.2	34.0

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USAID/ECUADOR  
OVERSEAS MISSION BUDGET  
for OPERATING EXPENSES FY 1997-1999

15-May-97  
09:46 AM

Rate of exchange = 3,833.00

EOCC #	E O C C Description	FY 97 Total	FY 98 Total	FY 99 Total
25.8	Subsistence and support of persons (by contract or Gov't.)	0.0	0.0	0.0
	Subtotal OC 25.8	0.0	0.0	0.0
26.0	Supplies and materials	35.0	30.0	28.0
	Subtotal OC 26.0	35.0	30.0	28.0
31.0	Equipment			
31.0	Purchase of Residential Furniture/Equip.	1.0	3.2	1.6
31.0	Purchase of Office Furniture/Equip.	4.3	1.2	14.6
31.0	Purchase of Vehicles	28.0	0.0	25.0
31.0	Purchase of Printing/Graphics Equipment	0.0	0.0	0.0
31.0	ADP Hardware purchases	16.4	40.0	41.0
	Subtotal OC 31.0	49.7	44.4	82.2
32.0	Lands and structures			
32.0	Purchase of Land & Buildings (& construction of bldgs.)	0.0	0.0	0.0
32.0	Purchase of fixed equipment for buildings	0.0	0.0	0.0
32.0	Building Renovations/Alterations - Office	0.0	0.0	0.0
32.0	Building Renovations/Alterations - Residential	0.0	0.0	15.0
	Subtotal OC 32.0	0.0	0.0	15.0
42.0	Claims and indemnities	0.0	0.0	0.0
	Subtotal OC 42.0	0.0	0.0	0.0
TOTAL ANNUAL BUDGET		2,997.1	2,850.0	2,881.1
<-> F A A S		106.0	100.0	90.0
<=> NET REQUEST		2,891.1	2,750.0	2,791.1
APPROVED ANNUAL LEVEL		2,831.1		
<=> Additional amount requested		(60.0)		

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TABLE IV - WORKFORCE SCHEDULE

Funding Source	FY 97 Targets					FY 98					FY 99 Ceilings				
	US		FN		TOTAL	US		FN		TOTAL	US		FN		TOTAL
	USDH	PSC	FNDH	PSC		USDH	PSC	FNDH	PSC		USDH	PSC	FNDH	PSC	
Operating Expenses and Trust Funds	8	1	9	50	68 0	7	1	9	41	58 0	7	1	9	37	54 0
Subtotal	8	1	9	50	68	7	1	9	41	58	7	1	9	37	54
Program Funds		1		17	18		1		15	16		1		15	16
Total	8	2	9	67	86	7	2	9	56	74	7	2	9	52	70

Funding Source	FY 00 Ceilings					FY 01 Ceilings					FY 02 Ceilings				
	US		FN		TOTAL	US		FN		TOTAL	US		FN		TOTAL
	USDH	PSC	FNDH	PSC		USDH	PSC	FNDH	PSC		USDH	PSC	FNDH	PSC	
Operating Expenses and Trust Funds	6	1	9	33	49 0	5	1	8	23	37 0	5	1	8	22	36 0
Subtotal	6	1	9	33	49	5	1	8	23	37	5	1	8	22	36
Program Funds		1		15	16		1		11	12		1		10	11
Total	6	2	9	48	65	5	2	8	34	49	5	2	8	32	47

TABLE V - STATUS OF 22 CFR 216 MEASURES FOR CURRENT USAID/ECUADOR PROJECTS

	PROJECT	THRESHOLD DECISION	PACD
SO 1 Economic Growth	Policy Dialogue Support - RP 1 (518-0089)	Categorical Exclusion	09-30-98
	Microenterprise Assistance and Strengthening - RP 2 (SpO) (518-0121)	Categorical Exclusion	12-30-00
	National Shelter Delivery System - RP 3 (518-0076)	Categorical Exclusion	12-31-95
	Special Development Activity Authority - RP 4 (518-0004)	1/	N/A
	Food Aid: - Section 416 B - Food for Progress - PL-480 Tittle II	1/	N/A
SO 2 FP/Health	Health & Family Planning - RP 1 (518-0084)	Categorical Exclusion	09-30-97
	NEW Family Planning - RP 1	TBD - Categorical Exclusion	FY 2002
	Child Survival & Health - RP 2 (518-0071)	Categorical Exclusion	04-30-99
	AMEND CS - RP 2	TBD - Categorical Exclusion	FY 2000
SO 3 Democracy	Rule of Law/ Democracy Support - RP 1; RP 2(SpO) (518-0120)	Categorical Exclusion	08-31-00
	AMENDMENT ROL/DS - new RP 2	TBD - Categorical Exclusion	FY 2003
SO 4 Environment	Sustainable Uses for Biological Resources - RP 1&2 (518-0069)	Negative, Positive, Categorical Exclusion 2/	09-30-98
	Sustainable Use of Galapagos Marine Resources - RP 1&2 (518-0124)	Categorical Exclusion	07-01-97
	NEW Environmental Support - new RP 1&2	TBD - EA needed for some activities	FY 2003
	Environmental Education & Technology Transfer - RP 3&4 (SpO) (518-0117)	Categorical Exclusion	06-26-96

1/ No Initial Environmental Examination prepared.

2/ Implementation of the mitigation measures recommended in some of the EAs prepared during Phase I of the SUBIR project.

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